Annual Report
2022

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The following Management's Discussion and Analysis (the "MD&A") is intended to assist readers in understanding Altus Group Limited's consolidated business, its business environment, strategies, performance, outlook and applicable risks. References to the "Company" or "Altus Group" are to the consolidated group of entities, and this should be read in conjunction with our consolidated financial statements and accompanying notes (the "financial statements") as at and for the year ended December 31, 2022, which have been prepared on the basis of International Financial Reporting Standards ("IFRS") and reported in Canadian dollars. Unless otherwise indicated herein, references to "$" are to Canadian dollars and percentages are in comparison to the same period in 2021.

Unless the context indicates otherwise, all references to "we", "us", "our" or similar terms refer to Altus Group, and, as appropriate, our consolidated operations.

Within this document are certain non-GAAP and other measures denoted by a "*". This includes non-GAAP financial measures such as Adjusted Earnings (Loss), and Constant Currency; non-GAAP ratios such as Adjusted EPS; total of segments measures such as Adjusted EBITDA; capital management measures such as Free Cash Flow; and supplementary financial and other measures such as Adjusted EBITDA margin, Net debt to Adjusted EBITDA leverage ratio, New Bookings, Organic New Bookings, Recurring New Bookings, Non-Recurring New Bookings, Organic Revenue, Recurring Revenue, Non-Recurring Revenue, Organic Recurring Revenue, DSO, AE Software Maintenance Retention Rate, and Cloud Adoption Rate. Since the measures, used herein, are not standard measures under IFRS, they may not be comparable to similar measures reported by other entities. Refer to the "Non-GAAP and Other Measures" section for definitions of, and more information on, each measure. For non-GAAP financial measures and total of segments measures, refer to the "Reconciliation of Non-GAAP Measures" section for reconciliations to the most directly comparable IFRS measure. For capital management measures, refer to the "Free Cash Flow" section for a reconciliation to the most directly comparable IFRS measure.

This MD&A is dated as of February 23, 2023.

1. Forward-looking Information

Certain information in this MD&A may constitute "forward-looking information" within the meaning of applicable securities legislation. All information contained in this MD&A, other than statements of current and historical fact, is forward-looking information. Forward-looking information includes, but is not limited to, the discussion of our business, strategies and expectations of future performance, including any guidance on financial expectations, and our expectations with respect to cash flows and liquidity. Generally, forward-looking information can be identified by use of words such as "may", "will", "expect", "believe", "plan", "would", "could", "remain" and other similar terminology.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that inherently are subject to significant risks, uncertainties, contingencies and other factors that may not be known and may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that we identified and applied in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to: engagement and product pipeline opportunities in Analytics will result in associated definitive agreements; continued adoption of cloud subscriptions by our customers; retention of material clients and bookings; sustaining our software and subscription renewals; settlement volumes in the Property Tax reportable segment occurring on a timely basis and assessment authorities processing appeals in a manner consistent with expectations; successful execution of our business strategies; consistent and stable economic conditions or conditions in the financial markets; consistent and stable legislation in the various countries in which we operate; consistent and stable foreign exchange conditions; no disruptive changes in the technology environment; opportunity to acquire accretive businesses and the absence of negative financial and other impacts resulting from

strategic investments or acquisitions on short term results; successful integration of acquired businesses; and continued availability of qualified professionals.

Inherent in the forward-looking information are known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking information. Those risks include, but are not limited to: the general state of the economy; the COVID-19 pandemic; our financial performance; our financial targets; the commercial real estate market; acquisitions; industry competition; business interruption events; third party information; cybersecurity; professional talent; our cloud subscriptions transition; software renewals; our sales pipeline; enterprise transactions; customer concentration and loss of material clients; product enhancements and new product introductions; technological strategy; intellectual property; property tax appeals and seasonality; legislative and regulatory changes; privacy and data protection; our brand and reputation; fixed-price and contingency engagements; the Canadian multi-residential market; currency fluctuations; interest rates; credit; income tax matters; health and safety hazards; our contractual obligations; legal proceedings; our insurance limits; our ability to meet the solvency requirements necessary to make dividend payments; our leverage and financial covenants; our share price; our capital investments; and the issuance of additional common shares and debt, as described in this document under “Key Factors Affecting the Business” as well as those described in our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2021 (which are available on SEDAR at www.sedar.com).

The COVID-19 pandemic has cast additional uncertainty on each of these factors and assumptions. The duration, extent and the resulting economic impact the COVID-19 pandemic will have on our business remains uncertain and difficult to predict at this time.

Investors should not place undue reliance on forward-looking information as a prediction of actual results. The forward-looking information reflects management’s current expectations regarding future events and operating performance and is based on reasonable assumptions and information currently available to management. The forward-looking information contained herein is current as of the date of this MD&A and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, our financial or operating results, or our securities.

Certain information in this MD&A, including sections entitled “Business Outlook”, may be considered as “financial outlook” within the meaning of applicable securities legislation. The purpose of this financial outlook is to provide readers with disclosure regarding Altus Group’s reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

2. Non-GAAP and Other Measures

We use certain non-GAAP financial measures, non-GAAP ratios, total of segments measures, capital management measures, and supplementary and other financial measures as defined in National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-112"). We believe that these measures may assist investors in assessing an investment in our shares as they provide additional insight into our performance. Readers are cautioned that they are not defined performance measures, and do not have any standardized meaning under IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to financial measures as reported by those entities. These measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS.

2.1. Non-GAAP Financial Measures

Adjusted Earnings (Loss)	
How is it useful:	We use Adjusted Earnings (Loss) to facilitate the calculation of Adjusted Earnings (Loss) per Share ("Adjusted EPS").
How we calculate it	Profit (loss) added or (deducted) by: profit (loss) from discontinued operations; occupancy costs calculated on a similar basis prior to the adoption of IFRS 16; depreciation of right-of-use assets; amortization of intangibles of acquired businesses; acquisition and related transition costs (income); unrealized foreign exchange losses (gains); (gains) losses on disposal of right-of-use assets, property, plant and equipment and intangibles; share of (profit) loss of joint venture; non-cash share-based compensation costs; (gains) losses on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs; (gains) losses on derivatives; interest accretion on contingent consideration payables; restructuring costs (recovery); impairment charges; (gains) losses on investments; (gains) losses on hedging transactions and interest expense (income) on swaps; other costs or income of a non-operating and/or non-recurring nature; finance costs (income), net - leases; and the tax impact of these items. Refer to page 34 for a reconciliation of Adjusted Earnings (Loss) to our financial statements.
Most directly comparable IFRS financial measure:	Profit (loss)

Constant Currency	
How is it useful:	We use Constant Currency to allow current financial and operational performance to be understood against comparative periods without the impact of fluctuations in foreign currency exchange rates against the Canadian dollar.
How we calculate it	The financial results and non-GAAP measures presented at Constant Currency within this document are obtained by translating monthly results denominated in local currency (U.S. dollars, British pound, Euro, Australian dollars, and other foreign currencies) to Canadian dollars at the foreign exchange rates of the comparable month in the previous year. Refer to page 36 for a reconciliation of Constant Currency between foreign exchange rates used.
Most directly comparable IFRS financial measure:	Corresponding IFRS amount, as presented

2.2. Non-GAAP Ratios

Adjusted EPS	
How is it useful:	We use Adjusted EPS to assess the performance of our business, on a per share basis, before the effects of the noted items because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance.
How we calculate it	Adjusted Earnings (Loss) divided by basic weighted average number of shares, adjusted for the effects of the weighted average number of restricted shares.

2.3. Total of Segments Measures

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”)	
How is it useful:	We use Adjusted EBITDA to evaluate the performance of our business, as well as when making decisions about the ongoing operations of the business and our ability to generate cash flows.
How we calculate it	Profit (loss) added or (deducted) by: profit (loss) from discontinued operations; occupancy costs calculated on a similar basis prior to the adoption of IFRS 16; depreciation of right-of-use assets; depreciation of property, plant and equipment and amortization of intangibles; 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; 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”); (gains) losses on derivatives, restructuring costs (recovery); impairment charges; (gains) losses on investments; other costs or income of a non-operating and/or non-recurring nature; finance costs (income), net - leases; finance costs (income), net - other; and income tax expense (recovery). Refer to page 34 for a reconciliation of Adjusted EBITDA to our financial statements. This measure represents Adjusted EBITDA determined on a consolidated basis as a total of our reportable segments. All other Adjusted EBITDA references are disclosed in our financial statements and are not considered to be non-GAAP financial measures pursuant to NI 52-112.
Most directly comparable IFRS financial measure:	Profit (loss)

2.4. Capital Management Measures

Free Cash Flow	
How is it useful:	We use Free Cash Flow to understand how much of the cash generated from operating activities is available to repay borrowings and to reinvest in the Company.
How we calculate it	Net cash provided by (used in) operating activities deducted by capital expenditures. Refer to page 33 for a reconciliation of Free Cash Flow to our financial statements.
Most directly comparable IFRS financial measure:	Net cash provided by (used in) operating activities

2.5. Supplementary Financial and Other Measures

Adjusted EBITDA Margin	
How is it useful:	We use Adjusted EBITDA margin to evaluate the performance of our business, as well as when making decisions about the ongoing operations of the business and our ability to generate cash flows.
How we calculate it	Adjusted EBITDA divided by revenue.

Net debt to Adjusted EBITDA leverage ratio	
How is it useful:	We use Net debt to Adjusted EBITDA leverage ratio as a measure of our ability to service our debt and other long-term obligations.
How we calculate it	Net debt (total borrowings less cash and cash equivalents, net of short-term deposits) divided by Adjusted EBITDA.

New Bookings, Organic New Bookings, Recurring New Bookings and Non-Recurring New Bookings	
How is it useful:	For our Analytics reportable segment, we use New Bookings, Organic New Bookings, Recurring New Bookings and Non-Recurring New Bookings as measures to track the performance and success of our sales initiatives, and as an indicator of future revenue growth. New Bookings is inclusive of any new signed contracts as well as any additional solutions and services added by existing customers within our Analytics reportable segment. The contract value of renewals is excluded from this metric with the exception of additional capacity or products purchased at the time of renewal.
How we calculate it:	New Bookings: The total of annual contract values for new sales of our recurring solutions and services (software subscriptions, Valuation Management Solutions, and data subscriptions) plus the total of contract values for one-time engagements (consulting, training, and due diligence). The value of contract renewals is excluded from this metric with the exception of additional capacity or products purchased at the time of renewal. Organic New Bookings: The total of New Bookings deducted by New Bookings from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition). Recurring New Bookings: The total of annual contract values for new sales of our recurring solutions and services. Non-Recurring New Bookings: The total of contract values for one-time engagements.

Organic Revenue	
How is it useful:	We use Organic Revenue to evaluate and assess revenue trends in our business on a comparable basis versus the prior year, and as an indicator of future revenue growth.
How we calculate it:	Revenue deducted by revenues from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition).

Recurring Revenue, Non-Recurring Revenue, Organic Recurring Revenue	
How is it useful:	For our Analytics reportable segment, we use Recurring Revenue, Non-Recurring Revenue, and Organic Recurring Revenue as measures to assess revenue trends in our business, and as an indicator of future revenue growth.
How we calculate it:	Recurring Revenue: Revenue from software subscriptions recognized on an over time basis in accordance with IFRS 15, software maintenance revenue associated with our legacy licenses sold on perpetual terms, Valuation Management Solutions, and data subscriptions. Non-Recurring Revenue: Revenue deducted by Recurring Revenue. Organic Recurring Revenue: Recurring Revenue deducted by Recurring Revenue from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition).

Days Sales Outstanding (“DSO”)	
How is it useful:	We use DSO as a measure of our ability to convert our revenue into cash.
How we calculate it:	Five-quarter average balance of net trade receivables and unbilled revenue on customer contracts net of deferred revenue, divided by the trailing 12-month revenues plus any pre acquisition revenues (as applicable), and multiplied by 365 days.

ARGUS Enterprise (“AE”) Software Maintenance Retention Rate	
How is it useful:	For our Analytics reportable segment, we use AE Software Maintenance Retention Rate as a measure to evaluate our success in retaining our AE software customers. With the majority of our AE customer base having now converted from legacy maintenance contracts to subscription contracts this metric is now less relevant and will be updated in the future.
How we calculate it:	Percentage of the available AE software maintenance renewal opportunity in a fiscal period that renews, calculated on a dollar basis, excluding any growth in user count or product expansion.

Cloud Adoption Rate	
How is it useful:	For our Analytics reportable segment, we use Cloud Adoption Rate as a measure of our progress in transitioning the AE user base to our cloud-based platform, a key component of our overall product strategy.
How we calculate it:	Percentage of the total AE user base contracted on the ARGUS Cloud platform.

3. Business Overview

3.1. About Altus Group

Altus Group (TSX: AIF) is a leading provider of asset and fund intelligence for commercial real estate. We deliver intelligence as a service to our global client base through a connected platform of industry-leading technology, advanced analytics and advisory services.

Trusted by the largest CRE leaders, our capabilities help commercial real estate investors, developers, proprietors, lenders, and advisors manage risk and improve performance throughout the asset and fund lifecycle.

Altus Group is a global company headquartered in Toronto with approximately 2,700 employees across North America, EMEA and Asia Pacific. For more about Altus Group, please visit altusgroup.com.

3.2. Understanding our Business

Valuations are at the core of everything we do

Our core competency is the valuation of commercial real estate ("CRE") assets. The value of a commercial property is one of the most important factors for CRE investment, ownership and development. It drives decision making across the CRE value chain – from discovery to acquisition/disposition, development, leasing and planning, property tax and debt management, and portfolio strategy. Our business reaches across the entire value chain through our two business units: Analytics and CRE Consulting.

We apply our expertise in valuations towards various use cases across our business units. The primary use cases include: tax appeals, fund mark-to-market reporting, equity and debt portfolio appraisals, transactions, and development investments. Our business units generate highly differentiated, high quality exhaust data. As we connect this data, we are building out new advanced analytics capabilities that also expand our use cases to performance management. By leveraging our asset and fund intelligence at scale, we can correlate valuations with asset performance attributes to help our clients maximize performance and better manage risk.

Our valuation capabilities, data and expertise are relied on by many CRE professionals in the industry to reduce their risks and maximize returns. In our Analytics business unit, our ARGUS Enterprise software valuation methodology has been deployed for over 30 years for property cash flow and valuation modelling throughout North America and the U.K., and is taught in over 200 academic institutions worldwide. In collaboration with the National Council of Real Estate Investment Fiduciaries ("NCREIF") our Valuation Management Solutions data forms the benchmark for the Open-End Diversified Core Equity ("ODCE") index, the official institutional real estate

performance benchmark in the U.S. In our CRE Consulting business unit, our expertise in valuations is a key differentiator in our ability to maximize successful client outcomes.

Serving a global and diverse client base

Our customers include many market participants across the CRE industry. Key customer segments include CRE investors, developers, proprietors, lenders and their advisors. We have the privilege of having long-standing relationships with many of the world's largest CRE leaders and enjoy a strong network effect by leveraging our mission-critical AE software.

Our customers vary in size, focus and complexity. Our go-to-market plans segment customers under two categories to optimize how we serve them: high touch (those who require more hands-on support or are strategic customers); and scale (those who are more self-reliant). Our approach also segments customers by geography, by offers that can best solve their unique challenges, and specific client personas. The majority of our revenues come from medium-to-large firms.

Enhancing client value through our Intelligence as a Service offer portfolio

With the mounting challenges of increased competition, globalization, regulatory pressures, and ever-changing market dynamics, CRE professionals are looking for objective expert advice and actionable insights to make faster and data-informed decisions. Our end-to-end technology, analytics and advisory services help our clients manage and react to key asset, fund and market events, helping them to improve performance and manage risk.

One of our key competitive differentiators is our unique combination of deep CRE industry expertise and proprietary technology tailored for the CRE industry. Altus Group professionals are not only experts in their practice areas but also in the CRE industry, earning us the reputation as trusted advisors to many of our clients. Our technology and data analytics solutions are trusted by the industry and embedded in key client workflows, with our AE software regarded as a mission critical application for the valuation of commercial assets. This combination of industry and technology expertise enables us to help our clients navigate complex business challenges and gives us a significant advantage compared to single-focus traditional consulting or technology firms.

In 2022, Altus Group initiated the transition from selling individual products and services to a model that combines our technology, analytics and advisory capabilities under offers. Each offer category includes a variety of capabilities for each of our key customer profiles so that our sales professionals can easily identify which offer will drive the greatest impact for their clients' business and help them solve their most critical business problems. Our offers are delivered as intelligence as a service.

Value selling under offers simplifies our customers' experience with us and enables us to serve them better while enhancing our prospects for higher value enterprise contracts that broaden our engagement. Recognizing that customer requirements differ by client type, we sell our offers under three editions: essentials, advanced, and premium:

Edition	Description
Essentials "Do it myself"	• Provides clients with base editions that are self-service and technology led. • Products and services can still be purchased stand-alone.
Advanced "Show me"	• Combines the essentials edition with added capabilities. • Includes technology with added data, analytics or services.
Premium "Do it for me"	• Combines the advanced edition with added capabilities. • Includes technology-enabled, expert-led, outcome-based delivery services.

We have four offer categories that support different critical asset and fund-level challenges:

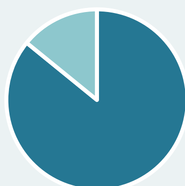
Offer category	Offer description	Includes the following legacy solutions and services
Altus Valuation	An offer for cash flow modelling, valuations and reporting. We help clients produce reliable valuations of assets, investments and loans that are trusted by partners, investors and regulators.	Software products (including ARGUS Enterprise, ARGUS Developer and ARGUS EstateMaster) and Valuation Management Solutions (including ARGUS ValueInsight).
Altus Portfolio Performance	An offer to connect asset data, modelling, and analytics to optimize asset and portfolio management. We help clients maximize financial performance across real estate investments by identifying risks, understanding portfolio impacts and finding opportunities to add value throughout their lifecycle.	Software products (including ARGUS Enterprise, ARGUS Developer, ARGUS EstateMaster, ARGUS Taliance, and Fairways Debt), as well as advisory solutions previously sold under the One11 brand and our Development Advisory services.
Altus Market Insights	An offer to provide instant access to asset, market and fund-level intelligence. We help clients make faster, informed decisions in key CRE workflows and activities by leveraging market data and predictive analytics.	Data and analytics tools (including Altus Data Studio, Reonomy and StratoDem Analytics), including related advisory services.
Altus Property Tax	An offer to optimize property tax liability. We help clients optimize and effectively manage a CRE portfolio's largest operating expense, property taxes.	Our property tax management and appeal services, as well as the Itamlink property tax management software.

Our Intelligence as a Service offer portfolio is powered by our internal Altus Performance Platform ("APP"). The APP delivers a scalable, diverse, and extensible data model designed to support advanced analytics applications. The APP is where we house the most relevant industry asset data, apply that data for performance and risk management use cases, and derive insight and intelligence through advanced analytics. We are transitioning our entire technology stack onto this platform.

Our reportable segments

We report the results of our operations through the following reportable segments: (1) Analytics; (2) Property Tax and (3) Appraisals and Development Advisory (rebranded from Valuation and Cost Advisory). Our business units are also supported by a corporate centre that primarily includes our finance, information technology, human resources, marketing, legal, corporate development and communications functions.

Analytics	
Principal activities	• Our Analytics portfolio includes software, data analytics and advisory solutions primarily for CRE asset valuations for the purpose of performance, development and investment management.
Key revenue streams	• Our key revenue streams comprise software, data analytics, market data, Valuation Management Solutions, and technology consulting services. We help clients gain data-based transparency and digitize their CRE asset and fund management valuation processes to empower better decision-making to maximize valuations, reduce risk, and enhance the value of their CRE investments. ○ Our software suite includes ARGUS-branded solutions (including the flagship AE product) and Finance Active-branded debt management solutions. Our software

Analytics	
 *87% of fiscal year 2022 Analytics revenue was Recurring Revenue*	solutions are deployed globally and primarily used to value, manage and increase the transparency of equity and debt CRE portfolios. ○ Our market data and related data analytics capabilities cover key North American markets and are used to support acquisition, investment, and development decisions. ○ Our Valuation Management Solutions (formerly referred to as appraisal management), primarily offered in the U.S., include valuation management and advisory services for CRE portfolios and funds with tools for attribution analysis and data-benchmarking. ○ Our technology consulting services include strategic advisory for front-to-back-office strategies, processes and technology. It also captures traditional software services related to education, training, and implementation. • Approximately 87% of fiscal year 2022 Analytics revenues were Recurring Revenue. Our Recurring Revenue includes software subscription revenues recognized on an over time basis, market data and data analytics subscription offerings, fees from our Valuation Management Solutions that are supported by multi-year contracts, as well as legacy software maintenance fees (which we continue to upgrade to cloud subscriptions). • Our Non-Recurring Revenue includes services related to technology consulting as well as software education, training, and implementation. Although diminishing in size, for customers who have on-premise software and wish to add more on-premise seats, the software license component of the subscription contract is captured as point-in-time revenue when delivered as required by IFRS, and captured in this revenue stream.
Revenue model	• Our Recurring Revenue streams are sold primarily on subscription contracts supported by cloud-based solutions. Recurring Revenue provides us with a stable and predictable revenue base that we expect the high majority to repeat every year. Our Analytics subscription agreements vary in length between one to five years with the fee primarily dependent on the number of users and applications deployed. Many of our "high touch" client contracts, particularly for our Valuation Management Solutions, are priced based on the number of real estate assets on our platform and subject to adjustments based on complexity of asset type and frequency of valuations. An asset-based pricing model allows us to grow with our customers, while also enhancing our opportunity to expand the users on our platform and broaden our reach across workflows. • Our Non-Recurring Revenue service engagements are charged primarily on a time and materials basis, billed and recognized as delivered.
Key geographies	• Our Analytics solutions are sold globally, primarily targeting our Tier 1 geographies including U.S., Canada, U.K., France, and Australia (*a geographic revenue split is provided in section 6.2. Operations by Reportable Segment*).
Key customer segments	• Our key client segments include high-touch and scale clients. The high-touch clients include large, global, and strategic firms that account for the majority of our revenues. The scale segment clients predominately include small-to-medium sized businesses. • Our customer base is globally dispersed and diversified by type. Key customers include equity and debt investors, service providers, owner operators and developers.
Primary revenue growth drivers	• Our existing customer base continues to represent an attractive opportunity to deepen our engagement with them and cross-sell new capabilities. As we continue to make deeper inroads across our clients' organizations and become more embedded in their workflows, our "land-and-expand" approach allows us to efficiently increase revenue from our existing customer base. Growth within our existing customer base also captures higher-value contracts from multi-solution sales facilitated through offer selling and migration of customers to our cloud-based subscription pricing. Albeit additive, pricing is not a material driver of growth at this stage. • New customers also represent an attractive opportunity, including outside of North America where our market penetration is still modest relative to the opportunity. As we expand our

Analytics	
	capabilities, we have increased opportunities to capture new customer segments and user types/personas in the industry that we have not served historically.

Property Tax	
Principal activities	• Our Property Tax portfolio includes expert services and technology for property tax management. Our core offering is conducting property tax assessment reviews for their commercial properties, based on which we selectively pursue appeals with government agencies to minimize our clients' tax liability.
Key revenue streams	• Property tax is influenced by government-assessed asset valuations and often represents the largest operating expense in CRE property ownership after debt service. Additionally, property tax obligations and processes vary significantly between jurisdictions, requiring regional and asset specific expertise. We help clients proactively manage this expense and their complex appeal processes through our technology-enabled expert services, striving to help them minimize the tax burden.
Revenue model	• Approximately 70% of our revenues are derived on a contingency basis, where we receive a percentage of the savings we achieve for our clients. As such, we recognize contingency revenues only when settlements are made, which in some cases could span multiple years. Approximately 30% of our Property Tax fees are based on a time and materials basis. We also have a growing recurring revenue stream related to the Itamlink software (acquired in 2022) which we sell on recurring subscription contracts. • Of note, this business has an element of cyclicality in the U.K., its biggest geographic market. Starting in the second year of the national multi-year U.K. cycle, we record annuity billings in the U.K. that occur only in the second quarter beginning in the second year of the national multi-year tax cycle. Unlike the North American practice where we bill a client once for the savings we achieve for them for an entire cycle, we bill our clients in the U.K. annually based on savings for that year. Revenues from the annuity billings generally grow over the cycle as we add more clients and as more cases are settled with the volume of billable clients increasing concurrently with case settlements.
Key geographies	• Our Property Tax services are offered in Canada, the U.S. and the U.K. where we are relied on by our clients to help manage their property tax and business rates liabilities.
Key customer segments	• Our key client segments include proprietors in the high-touch segments in North America (where the property tax obligations are with landlords and owners), and largely property tenants under the scale segment in the U.K. (where the property tax obligation rests predominantly with tenants).
Primary revenue growth drivers	• Revenue growth is primarily driven by increasing both the volume and value of our appeal settlement pipeline and our ability to leverage data and automation to scale successful client outcomes. Market share gains drive volume, and value is driven by our expertise and data which allows us to selectively pursue appeals that have a high probability of successful client outcomes. Our ongoing digitization efforts support revenue growth by helping us scale, better identify high-margin opportunities, and increase our sales productivity.

Appraisals and Development Advisory	
Principal activities	• Our Appraisals and Development Advisory portfolio also includes expert services in the areas of commercial property valuation appraisals and commercial development advisory.
Key revenue streams	• The Appraisals practice core services include valuation appraisals of real estate portfolios. Additional related services include valuation appraisals of properties for transactional purposes, due diligence and litigation support, and economic consulting. The Development Advisory practice provides services in the areas of construction feasibility studies, budgeting, cost and loan monitoring and project management.
Revenue model	• Pricing is primarily based on a fixed fee or time and materials basis. Many of our Development Advisory contracts are multi-year.
Key geographies	• Our Appraisals services are primarily offered in Canada, and our Development Advisory services are primarily offered in Canada and Australia.
Key customer segments	• Our key client segments primarily include high-touch clients. Our Appraisals customers include institutional CRE clients, whereas our Development Advisory clients include CRE developers, lenders, and government agencies for infrastructure related projects.
Primary revenue growth drivers	• Growth is primarily driven by an expansion of market size and by market share gains.

4. Business Strategy

Market opportunity

Commercial real estate is one of the largest asset classes in the world yet despite its scale and influence, the CRE industry has historically been slow to digitize. Consequently, CRE asset and fund level intelligence remains largely fragmented and behind in comparison to other established industries such as financial services.

This is rapidly changing as the influx of institutional ownership, together with globalization and demographic shifts, demands more sophisticated processes and data-driven transparency. Jobs, functions and workflows are changing and challenging the status quo of how this industry has historically operated. With ever increasing competition, intensifying reporting requirements, and the desire to modernize, the industry is looking for partners to help it innovate, unlock insights, discover new opportunities, and better manage risks and costs.

Value creation strategy

Our strategic focus is to deliver actionable asset and fund level intelligence to help our clients improve performance and better manage risk. Our long-term value creation strategy is grounded in this mission.

Our strategic intent is to maximize client value, enhance our foundational capabilities – organically and through partnerships and acquisitions – continuously improve our operational effectiveness, and methodically allocate capital to drive profitable growth as measured by Adjusted EBITDA margin expansion, Adjusted EPS growth and optimized Free Cash Flow.

Our growth strategy is focused on: 1) defending, connecting and growing our core business units; 2) extending those business units through carefully selected adjacencies; and 3) reaching into new market segments through advanced analytics-driven capabilities.

To deliver on our mission, effectively and at scale, we are completing our business transformation to operate more efficiently. This includes integrating all aspects of our business – *optimizing our operating model, our go-to-market approach, platform architecture, as well as our front and back-office infrastructure* – to deliver an exceptional experience for our clients and employees. We believe this critical initiative will drive operational excellence, platform economics, and maximize our operating leverage so that we can scale more effectively as we grow.

To meet the evolving needs of our clients and position ourselves for our next phase of growth we are on a journey to deliver comprehensive asset and fund level intelligence through advanced analytics. Our strategic focus is to connect high quality asset data and technology with advanced analytics, complemented by our deep industry expertise, to deliver predictive and prescriptive foresight essential to CRE performance. Our future-state predictive and prescriptive models will deliver intelligence at scale, enabling our clients to improve and de-risk their performance by helping them better anticipate opportunities and adapt accordingly.

Strategic priorities in 2023

In 2023, our strategic priorities move from business transformation to scaling profitable growth. The following four 2023 strategic priorities will drive the growth and long-term success of Altus Group:

Priority	Description
1. Scale Altus Group	Accelerate the expansion of Altus Group by defending and extending our core business units and reaching into new market segments
2. Operate efficiently	Maximize operating leverage through improved efficiencies, prudent expense management and optimized investments
3. Create customer value	Build on and evolve our capabilities to meet client needs for improved performance and better risk management
4. Engage talent	Place best people in the right roles and empower colleagues for greater performance in an inclusive environment

Our key success measures include revenue growth, continued New Bookings growth, Adjusted EBITDA margin expansion, Adjusted EPS growth, optimized Free Cash Flow and employee retention.

We believe that delivering on these objectives will position Altus Group for sustainable and profitable growth over the long term. It strengthens our foundation to be an efficient, growth-oriented company that delivers exceptional stakeholder value.

5. Financial and Operating Highlights

5.1. Annual Financial Highlights

Selected Financial Information	Year ended December 31,	
In thousands of dollars, except for per share amounts	**2022**	2021
Revenues	$ 735,451	$ 625,387
Canada	27%	30%
U.S.	45%	37%
EMEA	24%	28%
Asia Pacific	4%	5%
Adjusted EBITDA*	$ 135,322	$ 109,755
Adjusted EBITDA margin*	18.4%	17.5%
Profit (loss)	$ (889)	$ 25,573
Earnings (loss) per share:		
Basic	$(0.02)	$0.62
Diluted	$(0.02)	$0.60
Adjusted*	$1.89	$1.90
Dividends declared per share	$0.60	$0.60
Funded debt to EBITDA ratio	2.13:1	2.47:1
Net debt to Adjusted EBITDA leverage ratio*	1.96:1	2.17:1
Free Cash Flow*	$ 52,605	$ 45,679

5.2. Annual Operating Highlights

Leadership Transition and New Board Appointments

Effective April 1, 2022, Jim Hannon, formerly the President of Analytics, assumed the role of Chief Executive Officer ("CEO"), succeeding Mike Gordon who remains on our Board of Directors. Concurrently, Jorge Blanco was promoted to the role of President, Analytics and the newly created role of Chief Commercial Officer. Effective January 1, 2023, Pawan Chhabra joined the Company as our new Chief Financial Officer.

Effective June 29, 2022, we welcomed two new independent directors, Wai-Fong Au and Carolyn Schuetz, to our Board of Directors.

Launched Normal Course Issuer Bid ("NCIB")

On February 3, 2022, we received approval from the Toronto Stock Exchange ("TSX") to enter into a NCIB. Pursuant to the NCIB, we were permitted to purchase for cancellation up to 1,345,142 of our outstanding common shares during the period from February 8, 2022 to February 7, 2023. The total number of common shares that we were permitted to purchase was subject to a daily purchase limit of 20,336 common shares, other than block purchase exemptions. During the year ended December 31, 2022, we purchased 155,400 common shares for cancellation under the NCIB at a weighted average price of approximately $48.54 per common share.

Completed Restructuring Activities

Throughout 2022, we implemented a restructuring program that resulted in restructuring costs of $38.9 million for the year. This program was completed at the end of the year. Approximately $9.8 million of the costs related to rationalizing our leased office space in certain markets. The remainder of the restructuring costs were primarily related to employee severance costs reflecting the synergies we obtained from recent acquisitions, efficiencies gained from investments in technology, and the ongoing evolution of our operating models in support of our strategic initiatives.

Implemented Interest Rate Hedging

On April 29, 2022, we entered into interest rate swap agreements for a total notional amount of GBP57.0 million. Under the agreement, we are obligated to pay the counterparty to the swap agreements an amount based upon a fixed interest rate of 2.07% per annum and the counterparty is obligated to pay us an amount equal to the GBP - SONIA. These agreements expire on April 13, 2027.

Acquired Rethink Solutions Inc.

On May 1, 2022, we acquired all of the issued and outstanding shares of Rethink Solutions for $40.7 million, subject to adjustments. Founded in 2001 in Toronto, Rethink Solutions developed the itamlink property tax management software, a comprehensive tax management solution used by many organizations across the U.S. and Canada to optimize property tax processes. The acquisition added a complementary software offering, property tax-focused technical talent and strong customer relationships. It is also an important building block for our technology strategy to develop an end-to-end property tax management platform, representing significant time and cost savings to bring it to market. Rethink Solutions results are reported under our Property Tax reportable segment.

Increased Long-Term Equity Incentive Plan Share Pool

On May 3, 2022, our shareholders approved a resolution to increase the number of authorized common shares to be reserved for issuance under our Long-Term Equity Incentive Plan. The resolution increased the maximum number of common shares reserved for issuance by 2,689,000 shares, from 4,075,000 shares to 6,764,000 shares.

Purchase of Verifino Non-controlling Interest

On May 3, 2022, we purchased the remaining 30% minority interest in Verifino GmbH & Co. KG (“Verifino”) and settled our non-controlling interest liability for $2.8 million in cash. We acquired our interest in Verifino through the acquisition of Finance Active in 2021, which owned a 70% majority interest in the subsidiary at the time of the acquisition.

Amended Bank Credit Facilities

On June 28, 2022, we amended our bank credit facilities to further strengthen our financial and liquidity position by increasing our borrowing capacity to $550.0 million from $400.0 million with certain provisions that allow us to further increase the limit to $650.0 million. The amended bank credit facilities also include an increase to the maximum Funded debt to EBITDA financial covenant ratio from 4.0 to 4.5 with provisions that allow for a short-term increase up to 5.0 following certain business acquisitions and are secured on certain of our assets. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at our option.

Launched Employee Share Purchase Plan

During the third quarter of 2022, we launched an Employee Share Purchase Plan (“ESPP”). Under the terms of this plan, employees may contribute up to 8% of their base salary or base hourly wages toward the purchase of our shares. For each eligible contribution, we contribute an additional 33% of the employees’ contribution toward their purchase of our shares, up to an annual limit per employee each year. These shares will be purchased from the open market at the prevailing market price on the date of purchase.

5.3. Annual Operating Highlights – Events After the Reporting Period

Renewed NCIB

On February 3, 2023, the TSX approved the renewal of our NCIB. Pursuant to the NCIB, we may purchase for cancellation up to 1,364,718 of our outstanding common shares during the period from February 8, 2023 to February 7, 2024, representing approximately 3% of its issued and outstanding common shares as of January 31, 2023. The total number of common shares that we are permitted to purchase is subject to a daily purchase limit of 17,933 common shares, representing 25% of the average daily trading volume as of January 31, 2023, other than block purchase exemptions. The Company intends to enter into an automatic share purchase plan with a designated broker in relation to the NCIB following the end of its current blackout period.

6. Discussion of Operations

Quarter and Year Ended December 31, 2022

	Quarter ended December 31,		Year ended December 31,	
In thousands of dollars	**2022**	2021	**2022**	2021
Revenues	$ 183,762	$ 162,909	$ 735,451	$ 625,387
Expenses				
Employee compensation	114,015	107,334	463,949	401,455
Occupancy	1,567	1,925	7,032	7,743
Office and other operating	37,541	32,254	152,893	123,023
Depreciation of right-of-use assets	2,831	3,209	11,968	12,119
Depreciation and amortization	11,290	9,815	47,557	34,463
Acquisition and related transition costs (income)	207	2,025	4,928	10,137
Share of (profit) loss of joint venture	(786)	(745)	(3,013)	(1,187)
Restructuring costs (recovery)	17,001	(238)	38,896	15
(Gain) loss on investments	47	(1,091)	164	(2,930)
Finance costs (income), net - leases	463	515	1,913	2,219
Finance costs (income), net - other	7,918	1,322	5,284	4,130
Profit (loss) before income taxes	(8,332)	6,584	3,880	34,200
Income tax expense (recovery)	427	(306)	4,769	8,627
Profit (loss) for the period	$ (8,759)	$ 6,890	$ (889)	$ 25,573

Revenues

Revenues were $183.8 million for the quarter ended December 31, 2022, up 12.8% (10.3% on a Constant Currency* basis) or $20.9 million ($16.8 million on a Constant Currency basis) from $162.9 million in the same period in 2021. Organic Revenue* growth was 10.1% (7.8% on a Constant Currency basis) for the quarter ended December 31, 2022. For the year ended December 31, 2022, revenues were $735.5 million, up 17.6% (17.8% on a Constant Currency basis) or $110.1 million ($111.2 million on a Constant Currency basis) from $625.4 million in 2021. Organic Revenue growth was 12.0% (12.7% on a Constant Currency basis) for the year ended December 31, 2022. For the quarter and year ended December 31, 2022, the revenue growth was driven by strong performance at Analytics.

Employee Compensation

Employee compensation represents amounts pertaining to employee salaries, bonuses, benefits, share-based compensation, and gains or losses on equity derivatives related to our RSUs and DSUs. Employee compensation was $114.0 million for the quarter ended December 31, 2022, up 6.2% or $6.7 million from $107.3 million in the same period in 2021. The increase in employee compensation was due to headcount additions mainly within Altus Analytics including the acquisition of Scryer, Inc. d/b/a Reonomy) ("Reonomy") ($3.5 million), the acquisition of Rethink Solutions ($1.0 million), and increased expense related to the accounting treatment of common shares issued in connection with our acquisitions and other share-based compensation ($1.9 million). For the year ended December 31, 2022, employee compensation was $463.9 million, up 15.6% or $62.4 million from $401.5 million in 2021. The increase in employee compensation was mainly due to headcount additions mainly within Analytics

including the acquisitions of Finance Active, StratoDem Analytics, and Scryer, Inc. (d/b/a Reonomy) ($34.5 million), the acquisition of Rethink Solutions ($2.5 million), increased expense related to the accounting treatment of common shares issued in connection with our acquisitions and other share-based compensation ($10.3 million), and other increases in headcount and compensation to support our growth. For the quarter and year ended December 31, 2022, employee compensation as a percentage of revenues was 62.0% and 63.1%, as compared to 65.9% and 64.2% in the corresponding periods in 2021, respectively.

Occupancy

Occupancy represents amounts pertaining to short-term leases, low-value assets, and variable lease payments including property taxes, utilities, and common area maintenance costs. Occupancy was $1.6 million for the quarter ended December 31, 2022, down 18.6% or $0.3 million from $1.9 million in the same period in 2021. For the year ended December 31, 2022, occupancy was $7.0 million, down 9.2% or $0.7 million from $7.7 million in 2021. Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 would have been $4.5 million and $19.0 million for the quarter and year ended December 31, 2022, as compared to $5.4 million and $20.9 million in the corresponding periods in 2021, respectively. The reduction in occupancy was primarily due to our rationalization of our leased office space in certain markets. For the quarter and year ended December 31, 2022, occupancy as a percentage of revenues was 0.9% and 1.0%, as compared to 1.2% and 1.2% in the corresponding periods in 2021, respectively. Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 as a percentage of revenues would have been 2.4% and 2.6% for the quarter and year ended December 31, 2022, as compared to 3.3% and 3.3% in the corresponding periods in 2021, respectively.

Office and Other Operating Costs

Office and other operating costs represent amounts related to hosting fees, software and data subscriptions, professional fees, travel and entertainment, insurance, office supplies, foreign exchange gains or losses, bad debt expenses, and other service costs. From time to time, it also includes income or costs not classified elsewhere in the statement of comprehensive income (loss). Office and other operating costs were $37.5 million for the quarter ended December 31, 2022, up 16.4% or $5.2 million from $32.3 million in the same period in 2021, primarily due to increased Information Technology spend post the cybersecurity incident ($2.1 million), increased travel and marketing costs ($4.0 million), offset by lower professional fees ($1.0 million). For the year ended December 31, 2022, office and other operating costs were $152.9 million, up 24.3% or $29.9 million from $123.0 million in 2021. The increase was primarily due to the inclusion of full-year operating costs from business acquisitions and related changes to our operating model ($13.2 million), increased travel and marketing costs ($10.4 million), and increased Information Technology spend post the cybersecurity incident ($10.0 million). These were slightly offset by lower bad debts and foreign exchange gains. For the quarter and year ended December 31, 2022, office and other operating costs as a percentage of revenues were 20.4% and 20.8%, as compared to 19.8% and 19.7% in the corresponding periods in 2021, respectively.

Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets represents the depreciation charge of our office and equipment leases that are capitalized as right-of-use assets and was $2.8 million and $12.0 million for the quarter and year ended December 31, 2022, as compared to $3.2 million and $12.1 million in the corresponding periods in 2021, respectively. The decrease for the quarter and year ended December 31, 2022 was primarily due to benefits being realized from our efforts to rationalize our leased office space.

Depreciation and Amortization

Depreciation and amortization represent the depreciation charge of our property, plant and equipment and amortization charge of our intangible assets, and were $11.3 million and $47.6 million for the quarter and year ended December 31, 2022, as compared to $9.8 million and $34.5 million in the corresponding periods in 2021, respectively. The increase was mainly due to the amortization of intangible assets related to acquisitions.

Acquisition and Related Transition Costs (Income)

Acquisition and related transition costs (income) represent amounts related to professional fees for due diligence and facilitating the purchase and integration of our acquisitions, and the subsequent changes in the fair value of our acquisition-related contingent consideration payables. Acquisition and related transition costs (income) were $0.2 million and $4.9 million for the quarter and year ended December 31, 2022, as compared to $2.0 million and $10.1 million in the corresponding periods in 2021, respectively. Costs incurred for the quarter and year ended December 31, 2022 were primarily related to the acquisition of Rethink Solutions and the integrations of Finance Active and Reonomy which are largely complete.

Share of (Profit) Loss of Joint Venture

Share of (profit) loss of joint venture represents our share of the profit/loss in GeoVerra Inc. ("GeoVerra") and was $(0.8) million and $(3.0) million for the quarter and year ended December 31, 2022, as compared to $(0.7) million and $(1.2) million in the corresponding periods in 2021, respectively.

Restructuring Costs (Recovery)

Restructuring costs (recovery) represent amounts related to employee termination benefits, lease and other contract terminations, and professional fees to facilitate the reorganization of our functions and structure and the closure of offices. Restructuring costs (recovery) were $17.0 million and $38.9 million for the quarter and year ended December 31, 2022, as compared to $(0.2) million and $nil in the corresponding periods in 2021, respectively. Costs of $29.1 million incurred in the year ended December 31, 2022 relate to our 2022 global restructuring program, which primarily included employee severance costs reflecting the synergies we obtained from recent acquisitions, efficiencies gained from investments in technology, and the ongoing evolution of our operating models in support of our strategic initiatives. The remainder of the costs of approximately $9.8 million related to rationalizing our leased office space in certain markets.

(Gain) Loss on Investments

(Gain) loss on investments represents the changes in the fair value of our investments in partnerships and was $nil and $0.2 million for the quarter and year ended December 30, 2022, as compared to $(1.1) million and $(2.9) million in the corresponding periods in 2021, respectively.

Finance Costs (Income), Net

Finance costs (income), net represents amounts related to interest incurred on our credit facility borrowings, lease liabilities, or long-term payables. It also includes income received from short-term investments and deposits, and gains or losses from changes in fair value of interest rate swaps. Finance costs (income), net for the quarter ended December 31, 2022 were $8.4 million, up 356.2% or $6.6 million from $1.8 million in the same period in 2021. Our finance costs for the quarter increased primarily due to rising interest rates and costs on our bank credit facilities, and the change in fair value of our interest rate swaps. For the year ended December 31, 2022, finance costs (income), net were $7.2 million, up 13.4% or $0.9 million from $6.3 million in 2021. Our finance costs for the year increased primarily due to rising interest rates and costs on our bank credit facilities drawn for acquisitions, offset by the change in fair value of our interest rate swaps and lower interest costs on our leases.

Income Tax Expense (Recovery)

Income tax expense (recovery) for the quarter and year ended December 31, 2022 was $0.4 million and $4.8 million, as compared to $(0.3) million and $8.6 million in the corresponding periods in 2021, respectively. A significant amount of our earnings is derived outside of Canada and as a result a change in the mix of earnings and losses in countries with differing statutory tax rates has impacted our effective tax rates for the quarter and year ended December 31, 2022.

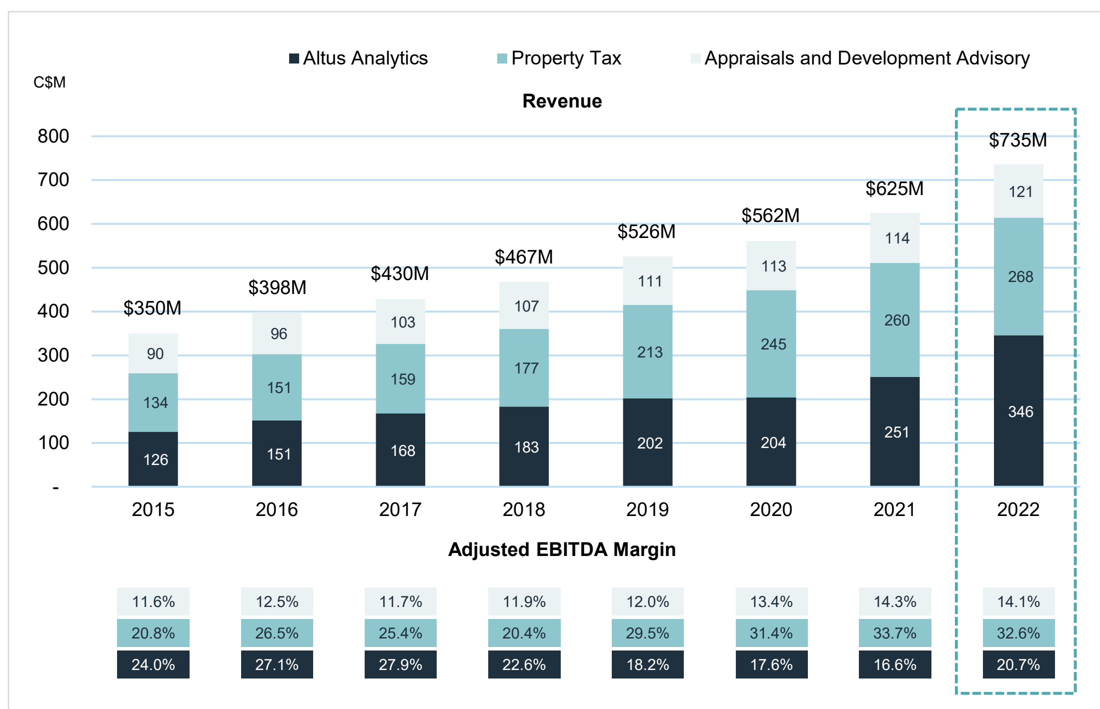
Profit (loss)

Profit (loss) for the quarter ended December 31, 2022 was $(8.8) million and $(0.20) per share, basic and diluted, as compared to $6.9 million and $0.16 per share, basic and $0.15 diluted, in the same period in 2021. The greatest driver of the change were costs associated to our 2022 global restructuring program, the increase in our interest costs and fair value loss on our interest rate swaps. For the year ended December 31, 2022, profit (loss) was $(0.9) million and $(0.02) per share, basic and diluted, as compared to $25.6 million and $0.62 per share, basic and $0.60 per share, diluted, in 2021. The biggest impact on the year-over-year change was the 2022 global restructuring program and amortization of our acquired intangibles.

6.1. Revenues and Adjusted EBITDA by Reportable Segment

Revenues	Quarter ended December 31,				Year ended December 31,			
In thousands of dollars	**2022**	2021	% Change	Constant Currency % Change	**2022**	2021	% Change	Constant Currency % Change
Analytics	$ 96,061	$ 72,407	32.7%	27.1%	$ 346,103	$ 251,084	37.8%	36.4%
Property Tax	55,830	60,060	(7.0%)	(7.3%)	268,583	259,911	3.3%	4.8%
Appraisals and Development Advisory	32,049	30,517	5.0%	5.6%	121,469	114,693	5.9%	6.7%
Intercompany eliminations	(178)	(75)	(137.3%)	(136.8%)	(704)	(301)	(133.9%)	(133.8%)
Total	$ 183,762	$ 162,909	12.8%	10.3%	$ 735,451	$ 625,387	17.6%	17.8%

Adjusted EBITDA	Quarter ended December 31,				Year ended December 31,			
In thousands of dollars	**2022**	2021	% Change	Constant Currency % Change	**2022**	2021	% Change	Constant Currency % Change
Analytics	$ 25,824	$ 10,698	141.4%	133.0%	$ 71,730	$ 41,567	72.6%	68.9%
Property Tax	14,412	18,222	(20.9%)	(21.0%)	87,533	87,616	(0.1%)	2.1%
Appraisals and Development Advisory	5,578	5,948	(6.2%)	(5.6%)	17,099	16,440	4.0%	4.7%
Corporate	(10,886)	(9,007)	(20.9%)	(21.4%)	(41,040)	(35,868)	(14.4%)	(15.6%)
Total	$ 34,928	$ 25,861	35.1%	31.4%	$ 135,322	$ 109,755	23.3%	23.4%



6.2. Operations by Reportable Segment

Analytics								
	Quarter ended December 31,				Year ended December 31,			
In thousands of dollars	**2022**	2021	% Change	Constant Currency % Change	**2022**	2021	% Change	Constant Currency % Change
Revenues	$ 96,061	$ 72,407	32.7%	27.1%	$ 346,103	$ 251,084	37.8%	36.4%
Adjusted EBITDA	$ 25,824	$ 10,698	141.4%	133.0%	$ 71,730	$ 41,567	72.6%	68.9%
Adjusted EBITDA margin	26.9%	14.8%			20.7%	16.6%		
Other Measures								
Recurring Revenue*	$ 85,834	$ 59,802	43.5%	37.8%	$ 301,709	$ 207,805	45.2%	43.7%
New Bookings*	$ 34,173	$ 31,119	9.8%	3.6%	$ 112,540	$ 95,066	18.4%	15.3%
Recurring New Bookings*	$ 20,849	$ 17,150	21.6%	14.6%	$ 74,434	$ 48,017	55.0%	44.5%
Non-Recurring New Bookings*	$ 13,324	$ 13,969	(4.6%)	(9.8%)	$ 38,106	$ 47,049	(19.0%)	(14.4%)
AE Software Maintenance Retention Rate*	97%	94%			97%	94%		
Geographical revenue split								
North America	79%	75%			77%	75%		
International	21%	25%			23%	25%		
Cloud Adoption Rate* (as at end of period)	64%	42%			64%	42%		

Revenues

Fourth quarter revenues were $96.1 million, up 32.7% (27.1% on a Constant Currency basis) or $23.7 million ($19.6 million on a Constant Currency basis) from $72.4 million in the same period in 2021. Organic Revenue growth was 28.3% (23.1% on a Constant Currency basis) whereas the acquisition of Reonomy represented 4.4% of the total 32.7% revenue growth. The purchase price accounting adjustment to Reonomy's deferred revenues had a negative impact of $0.1 million, or 0.1%, to revenue growth.

Full year revenues were $346.1 million, up 37.8% (36.4% on a Constant Currency basis) or $95.0 million ($91.3 million on a Constant Currency basis) from $251.1 million in 2021. Organic Revenue growth was 25.0% (23.8% on a Constant Currency basis) whereas the acquisitions of Finance Active, StratoDem Analytics and Reonomy represented 12.8% of the total 37.8% revenue growth. The purchase price accounting adjustment to Reonomy's deferred revenues had a negative impact of $2.0 million, or 0.8%, to revenue growth.

Revenue growth in the fourth quarter and full year was primarily driven by customer expansion across our key solutions and supported by steady new customer additions. While most of our growth continues to come from North America, we also posted notable growth internationally in 2022, both in Europe and Asia Pacific.

Recurring Revenue

Fourth quarter Recurring Revenue was $85.8 million, up 43.5% (37.8% on a Constant Currency basis) or $26.0 million ($22.6 million on a Constant Currency basis) from $59.8 million in the same period in 2021. Organic Recurring Revenue* was up 38.2% (up 32.5% on a Constant Currency basis). Sequentially, Recurring Revenue grew 11.6% from $76.9 million in the third quarter of 2022.

Full year Recurring Revenue was $301.7 million, up 45.2% (43.7% on a Constant Currency basis) or $93.4 million ($90.8 million on a Constant Currency basis) from $207.8 million in 2021. Organic Recurring Revenue was up 34.6% (up 28.6% on a Constant Currency basis).

New Bookings

Fourth quarter New Bookings were $34.2 million, up 9.8% (3.6% on a Constant Currency basis) or $3.1 million ($1.1 million on a Constant Currency basis) from $31.1 million in the same period in 2021. Organic New Bookings* growth was 8.6% (2.4% on a Constant Currency basis) from the same period in 2021. Recurring New Bookings were up 21.6% (14.6% on a Constant Currency basis).

Full year New Bookings were $112.5 million, up 18.4% (15.3% on a Constant Currency basis) or $17.4 million ($14.6 million on a Constant Currency basis) from $95.1 million in 2021. Organic New Bookings growth was 11.7% (8.2% on a Constant Currency basis) from 2021. Recurring New Bookings were up 55.0% (44.5% on a Constant Currency basis).

Adjusted EBITDA

Fourth quarter Adjusted EBITDA was $25.8 million, up 141.4% (133.0% on a Constant Currency basis) or $15.1 million ($14.2 million on a Constant Currency basis) from $10.7 million in the same period in 2021. Adjusted EBITDA margin was 26.9%, up 1,210 basis points. Adjusted EBITDA growth and margin expansion benefitted from higher revenues, improving operating efficiencies, ongoing cost optimization efforts, and foreign exchange fluctuations.

Full year Adjusted EBITDA was $71.7 million, up 72.6% (68.9% on a Constant Currency basis) or $30.1 million ($28.6 million on a Constant Currency basis) from $41.6 million in 2021. Adjusted EBITDA margin improved by 410 basis points. Adjusted EBITDA growth and margin expansion benefitted from higher revenues, improving operating efficiencies, ongoing cost optimization efforts, and foreign exchange fluctuations. The purchase price accounting adjustments had a 40 basis points impact to Adjusted EBITDA margin.

Property Tax								
	Quarter ended December 31,				Year ended December 31,			
In thousands of dollars	**2022**	2021	% Change	Constant Currency % Change	**2022**	2021	% Change	Constant Currency % Change
Revenues	$ 55,830	$ 60,060	(7.0%)	(7.3%)	$ 268,583	$ 259,911	3.3%	4.8%
Adjusted EBITDA	$ 14,412	$ 18,222	(20.9%)	(21.0%)	$ 87,533	$ 87,616	(0.1%)	2.1%
Adjusted EBITDA margin	25.8%	30.3%			32.6%	33.7%		

Revenues

Fourth quarter revenues were $55.8 million, down 7.0% (7.3% on a Constant Currency basis) or $4.3 million ($4.4 million on a Constant Currency basis) from $60.1 million in the same period in 2021. The robust growth in the U.S. and steady performance in Canada was offset by a decline in the U.K. which continued to be impacted by the ongoing slowed cadence of settlement volumes. Our U.K. pipeline of cases to be settled in upcoming quarters remains robust.

Full year revenues were a record $268.6 million, up 3.3% (4.8% on a Constant Currency basis) or $8.7 million ($12.6 million on a Constant Currency basis) from $259.9 million in 2021. The growth from the U.S. and Canada was offset by a decline in the U.K. which was impacted by the slowed cadence of settlement volumes.

Adjusted EBITDA

Fourth quarter Adjusted EBITDA was $14.4 million, down 20.9% (21.0% on a Constant Currency basis) or $3.8 million ($3.8 million on a Constant Currency basis) from $18.2 million in the same period in 2021. Adjusted EBITDA was down primarily due to the impacts of the slow settlement volumes in the U.K., more than offsetting the growth from the U.S. operations.

Full year Adjusted EBITDA was $87.5 million, down 0.1% (2.1% on a Constant Currency basis) or $0.1 million ($1.8 million on a Constant Currency basis) from $87.6 million in 2021. The decline in the U.K. was offset by the growth from the U.S. operations.

Appraisals and Development Advisory								
	Quarter ended December 31,				Year ended December 31,			
In thousands of dollars	**2022**	2021	% Change	Constant Currency % Change	**2022**	2021	% Change	Constant Currency % Change
Revenues	$ 32,049	$ 30,517	5.0%	5.6%	$ 121,469	$ 114,693	5.9%	6.7%
Adjusted EBITDA	$ 5,578	$ 5,948	(6.2%)	(5.6%)	$ 17,099	$ 16,440	4.0%	4.7%
Adjusted EBITDA margin	17.4%	19.5%			14.1%	14.3%		

Revenues

Fourth quarter revenues were $32.0 million, up 5.0% (5.6% on a Constant Currency basis) or $1.5 million ($1.7 million on a Constant Currency basis) from $30.5 million in the same period in 2021. Growth was driven by strong performance in Development Advisory, both in Canada and in the APAC region, supported by large public sector projects.

Full year revenues were $121.5 million, up 5.9% (6.7% on a Constant Currency basis) or $6.8 million ($7.7 million on a Constant Currency basis) from $114.7 million in 2021. Growth was driven by strong performance in Development Advisory, both in Canada and in the APAC region, supported by large public sector projects. On a year-over-year basis, in 2021 the Appraisals practice had some impact from the cybersecurity incident.

Adjusted EBITDA

Fourth quarter Adjusted EBITDA was $5.6 million, down 6.2% (5.6% on a Constant Currency basis) or $0.3 million ($0.3 million on a Constant Currency basis) from $5.9 million in the same period in 2021. Adjusted EBITDA improved on increased revenues from the Development Advisory practice. The decline in margin for the quarter comes from a number of one-time expense recoveries that occurred during the comparative quarter.

Full year Adjusted EBITDA was $17.1 million, up 4.0% (4.7% on a Constant Currency basis) or $0.7 million ($0.8 million on a Constant Currency basis) from $16.4 million in 2021. Adjusted EBITDA improved on increased revenues from the Development Advisory practice.

6.3. Corporate Costs

Corporate costs

Corporate costs were $10.9 million for the quarter ended December 31, 2022, as compared to $9.0 million in the same period in 2021. Corporate costs were $41.0 million for the year ended December 31, 2022, as compared to $35.9 million in 2021. Corporate costs increased primarily due to higher expenditures in Information Technology, compensation, travel, professional fees, and costs related to organizational and strategic initiatives.

7. Business Outlook

Forecasting future results or trends is inherently difficult for any business and actual results or trends may vary significantly. The discussion of our expectations relating to the business outlook in this section is forward-looking information that is based upon the assumptions and subject to the material risks discussed under the heading "Forward-Looking Information" beginning on page 1 of this MD&A.

Altus Group is well positioned in 2023 to sustain year-over-year Constant Currency growth in our consolidated revenue and Adjusted EBITDA. Our strong execution in 2022 enables us to capitalize on continued momentum and meet growing demand from our customers. Our outlook is underpinned by the execution of our growth strategy and the visibility we have into our revenue backlog and pipeline of our various recurring and highly repeatable revenue streams. Our business outlook for 2023 includes double-digit revenue and Adjusted EBITDA growth in Analytics, a down year in Property Tax due to market cyclicality, and single-digit revenue and Adjusted EBITDA growth in Appraisals and Development Advisory – all on an organic, Constant Currency basis over fiscal year 2022.

We continue to closely monitor leading indicators and the impact of inflation and interest rate increases on our industry and customer activity. Our business continues to be resilient, and we have flexibility to respond to changing client needs and to pursue our business strategy across various economic cycles and market environments. The investments we made in 2022 to enhance our operational effectiveness provide us with sustainable improvements in our cost structure that give us confidence in our ability to successfully navigate a dynamic global business environment.

We maintain a positive growth outlook in the medium to long term and are poised for continued profitable growth as we maximize revenue opportunities and enhance our operating leverage over the next few years.

2023 outlook by reportable segment	
Analytics	• Analytics remains well positioned to deliver double-digit revenue growth and expanded Adjusted EBITDA margins. This is underpinned by a strong Recurring Revenue base and steady New Bookings growth. We expect that margin expansion will be driven by higher revenues, disciplined expense management and an overall improvement in operating efficiencies. • With 64% of our AE user base contracted on the cloud as at the end of 2022, we expect sustained adoption throughout 2023 to capture the large majority of users by the end of 2023. *In 2019, we introduced a long-term aspirational goal to achieve $400 million in revenue in Analytics for fiscal 2023. In fiscal 2022, we re-affirmed that we were on track to meet this aspirational long-term goal by the end of 2023. We remain confident in this statement. Our confidence is based on strong New Bookings, a growing Recurring Revenue base, and the high contract renewal rates from our legacy clients. $400 million revenue in 2023 would represent a 15.6% growth rate over 2022. That compares to an Organic Revenue growth of 23.8% (at Constant Currency) in 2022. Please refer to our "forward looking information" on page 1 for more information on the risks and assumptions.*

<table>
<tr><th colspan="2">2023 outlook by reportable segment</th></tr>
<tr><td>Property Tax</td><td>The Property Tax revenues and Adjusted EBITDA are expected to decline year-over-year primarily driven by cyclicality of the U.K. tax assessments. We will continue to invest in our go-to-market activities to expand our client base and backlog of tax appeals.
In the U.K., we will commence a new tax cycle that was previously extended due to pandemic related factors. As detailed on page 12 of this MD&A, the majority of our U.K. clients are billed on annuity contracts through which we receive a percentage of the fees we save them per year. This annuity revenue stream resets the first year of a new cycle. On a comparative view, the portion of our revenues related to the annuity stream (which was $33.2 million in 2022) will not repeat in 2023. The annuity revenue stream will begin to build again in 2024 as we add more clients throughout the cycle. The anticipated growth from other markets is not expected to fully offset the financial impact of the cyclicality of our U.K. annuity billings.
Additionally, in Ontario, a key market for the Canadian operations, the tax cycle is expected to be extended for an additional year. The prolonged extension of the cycle generally limits revenue growth as we will have already addressed the more substantive appeals.</td></tr>
<tr><td>Appraisals and Development Advisory</td><td>Appraisals and Development Advisory is expected to continue growing modestly in the single-digits. Our focus on operating efficiencies is expected to translate to an improvement in Adjusted EBITDA.</td></tr>
</table>

**The business outlook is presented on an organic Constant Currency basis over fiscal 2022.*

Seasonality and Cyclicality

Some of our businesses are subject to cyclical trends and seasonality that may impact overall quarterly results.

As is typical for many technology companies, Analytics tends to have a seasonally stronger fourth quarter, and first quarter revenue and Adjusted EBITDA margins of a new year may be sequentially lower than in the fourth quarter of the preceding year (excluding the impact of unusual or nonrecurring items). We believe the strength in the fourth quarter generally reflects customer spending patterns and budget cycles, as well as the impact of incentive compensation plans for our sales personnel. The first quarter of a new year also includes additional expenses, such as payroll taxes, that impact the sequential Adjusted EBITDA margin trend.

The Property Tax reportable segment experiences stronger second quarters driven by the annuity billings (as described above and on page 12 of the MD&A), however only starting in the second year of a new cycle. In the U.S., where market cycles are annual, we also tend to experience higher volumes of settlements in the second and third quarters. Overall, the Property Tax reportable segment tends to experience more quarterly variability due to timing of contingency settlements and other factors, such as the wide-ranging variety of tax cycles across our various jurisdictions (which range from annual to several years). It should also be noted that since a higher portion of our revenues come from contingency contracts, the front-end of a cycle typically requires a ramp-up period in preparation for the appeals. Therefore, it tends to have lower earnings than later in the cycle, when more settlements are made and a high majority of those revenues flow directly to the bottom line.

While these seasonal and cyclical factors have historically been relevant, given the evolution of our businesses through our growth and acquisitions, this pattern should not be considered as a reliable indicator of our future revenue or financial performance. Many other factors, including general economic conditions, may also have an impact on our business and financial results, and are described in our Annual Information Form for the year ended December 31, 2021.

8. Liquidity and Capital Resources

Cash Flow		Year ended December 31,
In thousands of dollars	**2022**	2021
Net cash related to operating activities	$ 77,085	$ 56,308
Net cash related to financing activities	(18,665)	300,430
Net cash related to investing activities	(54,057)	(373,315)
Effect of foreign currency translation	(367)	(1,789)
Change in cash position during the year	$ 3,996	$ (18,366)
Free Cash Flow	$ 52,605	$ 45,679
Dividends paid	$ 24,699	$ 21,564

We expect to fund operations with cash on hand and cash derived from operating activities. Deficiencies arising from short-term working capital requirements and capital expenditures may be financed on a short-term basis with bank indebtedness or on a permanent basis with offerings of securities. Our liquidity may be affected by a reduction to future cash generated from operating activities, or by a limitation of access to short-term financing and tightening credit markets due to factors such as: significant erosion in the general state of the economy, prolonged impacts of the COVID-19 pandemic, or further unforeseen impacts of the cybersecurity incident. In 2022, we further amended and expanded our bank credit facilities to continue strengthening our liquidity position. For further details regarding the amendments, refer to the "Cash from Financing Activities" discussion below and Note 21 - Borrowings in the notes to the annual financial statements.

We returned $27.1 million to shareholders in 2022 through quarterly dividends of $0.15 per common share, or $0.60 per common share for the year.

8.1. Cash from Operating Activities

Working Capital		
In thousands of dollars	**December 31, 2022**	December 31, 2021
Current assets	$ 319,878	$ 283,734
Current liabilities	239,860	209,931
Working capital	$ 80,018	$ 73,803

Current assets are composed primarily of cash and cash equivalents and trade receivables and other. It also includes income taxes recoverable and derivative financial instruments for our equity derivatives on RSUs and DSUs. The increase is primarily due to the generation of cash and cash equivalents and additional contract assets (unbilled revenue on customer contracts) from operations.

Current liabilities are composed primarily of trade payables and other, and lease liabilities. It also includes income taxes payable. The increase is primarily due to the increase in contract liabilities (deferred revenue) and provisions related to our 2022 global restructuring program.

As at December 31, 2022, trade receivables, net and contract assets (unbilled revenue on customer contracts) net of contract liabilities (deferred revenue) were $134.9 million, up 7.3% or $9.1 million from $125.8 million as at December 31, 2021. As a percentage of the trailing 12-month revenues, trade receivables and unbilled revenue on customer contracts net of deferred revenue was 18.3% as at December 31, 2022, as compared to 19.2% as at December 31, 2021.

Our DSO* was 62 days as at December 31, 2022, as compared to 72 days as at December 31, 2021, representing our ability to convert revenue into cash which has returned back to pre-COVID levels. This is in addition to our revenue mix continuing to increasingly shift to a subscription-based model under which our customers are billed on or in advance of the commencement of agreements.

Current and long-term liabilities include amounts owing to the vendors of acquired businesses on account of excess working capital, contingent consideration payable, deferred purchase price payments and other closing adjustments. As at December 31, 2022, the amounts owing to the vendors of acquired businesses were $7.5 million, as compared to $10.0 million as at December 31, 2021. We intend to satisfy the payments with cash on hand.

We expect to satisfy the balance of our current liabilities through the realization of our current assets.

Changes in working capital affecting net cash generated by (used in) operations

In thousands of dollars	**December 31, 2022**	December 31, 2021
Net changes in:		
Operating working capital	$ 177	$ (34,831)
Liabilities for cash-settled share-based compensation	(5,303)	9,199
Deferred consideration payables	(3,384)	6,668
Contingent consideration payables	3,010	132
Net changes	$ (5,500)	$ (18,832)

Operating working capital is composed primarily of trade receivables and other, trade payables and other excluding the impacts of liabilities for cash-settled share-based compensation and contingent consideration payables, and income taxes recoverable and payable. The movement in operating working capital was primarily driven by additional contract assets resulting from increased activity levels, offset by an increase in our contract liabilities resulting from growth in New Bookings, in addition to an increase in our restructuring provision due to the global restructuring program.

Liabilities for cash-settled share-based compensation represent awards granted through our Long-Term Incentive Restricted Share Unit Plan, Restricted Share Unit Plan, or Deferred Share Unit Plan, which are to be settled in the future. These liabilities are linked, and therefore exposed, to movements in the price of our common shares. The decrease in liabilities for cash-settled share-based compensation was primarily due to the decrease in the closing price of our common shares from $70.97 per share on December 31, 2021 to $54.04 per share on December 31, 2022. For further details regarding liabilities for cash-settled share-based compensation, refer to Note 26 - Share-based Compensation in the notes to the financial statements.

From time to time, we become party to deferred or contingent consideration payables which are assumed as part of an acquisition. Deferred consideration payments represent unconditional portions of the purchase consideration of our acquisitions that are payable at a date after the closing date of the related transaction. The decrease in deferred consideration payables was due to the payment made in relation to our acquisition of Finance Active in April of 2021. Contingent consideration payments are generally based on acquired businesses achieving certain future-oriented performance targets from the date of acquisition and may differ from our initial estimates. The

movement in contingent consideration payables was primarily due to the recognition of a $3.0 million contingent consideration payable related to the acquisition of Rethink Solutions during the second quarter of 2022.

8.2. Cash from Financing Activities

Our revolving bank credit facilities are unsecured and used for general corporate purposes and the funding of our acquisitions. From time to time, we amend our bank credit facilities to further strengthen our liquidity position. Most recently, on June 28, 2022, we further amended our bank credit facilities to increase our borrowing capacity from $400.0 million to $550.0 million, with certain provisions that allow us to further increase the limit to $650.0 million. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at our option.

As at December 31, 2022, our total borrowings on our bank credit facilities amounted to $319.6 million, an increase of $32.0 million from December 31, 2021, primarily to fund the acquisition of Rethink Solutions as well as working capital and operational requirements. We continue to pay down the total outstanding balance with cash flows generated from our operations.

Loans under the bank credit facilities bear interest at a floating rate, based on the Canadian prime rates, Canadian bankers' acceptance rates, U.S. base rates, or SONIA, SOFR, and €STR rates plus, in each case, an applicable margin to those rates. The applicable margin for Canadian bankers' acceptance and SONIA, SOFR and €STR borrowings depends on a trailing four-quarter calculation of the Funded debt to EBITDA ratio. The weighted average effective rate of interest for the year ended December 31, 2022 on our bank credit facilities was 3.66%, as compared to 1.58% in 2021. To mitigate our exposure to interest rate fluctuations, on April 29, 2022, we entered into interest rate swap agreements for a total notional amount of GBP57.0 million to pay the counterparties a fixed interest rate of 2.07% per annum in exchange for an amount equal to the GBP - SONIA.

In addition, the Company and certain of its subsidiaries, collectively the guarantors, must account for at least 80% of consolidated revenues on a trailing 12-month basis. The bank credit facilities require repayment of the principal at such time as we receive proceeds of insurance, equity or debt issuances, or sale of assets in excess of certain thresholds. Letters of credit are also available on customary terms for bank credit facilities of this nature. Furthermore, we have provided a security interest to the lenders over certain of our assets in connection with the bank credit facilities.

We also have outstanding letters of credit under our bank credit facilities in the total amount of $1.5 million (December 31, 2021 - $1.5 million).

As at December 31, 2022, we were in compliance with the financial covenants and other requirements of our amended bank credit facilities. The financial covenants are summarized below:

	December 31, 2022
Funded debt to EBITDA (maximum of 4.50:1)	2.13:1
Interest coverage (minimum of 3.00:1)	11.56:1

Other than long-term debt and letters of credit, we are subject to other contractual obligations, such as leases and amounts owing to the vendors of acquired businesses as discussed above.

Contractual Obligations [1]	Payments Due by Period (undiscounted)				
In thousands of dollars	Total	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years
Bank credit facilities	$ 319,584	$ -	$ -	$ 319,584	$ -
Lease obligations	65,083	16,455	24,827	14,255	9,546
Deferred consideration payables	3,482	1,741	1,741	-	-
Contingent consideration payables	3,200	3,000	200	-	-
Other liabilities	223,734	146,313	41,849	12,628	22,944
Total contractual obligations	$ 615,083	$ 167,509	$ 68,617	$ 346,467	$ 32,490

[1] Contractual obligations exclude aggregate unfunded capital contributions of $3.9 million to certain partnerships as the amount and timing of such payments are uncertain.

8.3. Cash from Investing Activities

We invest in property, plant and equipment and intangible assets to support the activities of the business. Capital expenditures for accounting purposes include property, plant and equipment in substance and in form, and intangible assets.

Capital expenditures are reconciled as follows:

Capital Expenditures	Quarter ended December 31,		Year ended December 31,	
In thousands of dollars	**2022**	2021	**2022**	2021
Property, plant and equipment additions	$ 1,783	$ 2,591	$ 5,433	$ 5,965
Intangibles additions	6,502	1,456	19,047	4,664
Capital expenditures	$ 8,285	$ 4,047	$ 24,480	$ 10,629

We made additional investments in 2022 to transform our internal systems across all of Altus Group for how we operate, collaborate and go-to-market which includes upgrading our finance back-office systems, optimizing CRM front offices systems, investing in our global human resources systems, and streamlining our solution architecture. These incremental investments will simplify how we engage with our employees and customers and maximize our internal systems to efficiently and effectively scale as we continue to grow and enhance our productivity metrics.

8.4. Free Cash Flow

We proactively manage and optimize our Free Cash Flow available for reinvestment in our business. Free Cash Flow is reconciled as follows:

Free Cash Flow	**Quarter ended December 31,**		**Year ended December 31,**	
In thousands of dollars	**2022**	2021	**2022**	2021
Net cash provided by (used in) operating activities	$ 27,465	$ 10,773	$ 77,085	$ 56,308
Less: Capital Expenditures	(8,285)	(4,047)	(24,480)	(10,629)
Free Cash Flow	$ 19,180	$ 6,726	$ 52,605	$ 45,679

9. Reconciliation of Non-GAAP Measures

9.1. Reconciliation of Profit (Loss) to Adjusted EBITDA and Adjusted Earnings (Loss)

The following table provides a reconciliation of Profit (Loss) to Adjusted EBITDA and Adjusted Earnings (Loss):

	Quarter ended December 31,		Year ended December 31,	
In thousands of dollars, except for per share amounts	**2022**	2021	**2022**	2021
Profit (loss) for the period	$ (8,759)	$ 6,890	$ (889)	$ 25,573
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 (1)	(2,905)	(3,477)	(11,993)	(13,199)
Depreciation of right-of-use assets	2,831	3,209	11,968	12,119
Depreciation of property, plant and equipment and amortization of intangibles (7)	11,290	9,815	47,557	34,463
Acquisition and related transition costs (income)	207	2,025	4,928	10,137
Unrealized foreign exchange (gain) loss (2)	(1,821)	(145)	(3,854)	1,104
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles (2)	825	-	825	(248)
Share of (profit) loss of joint venture	(786)	(745)	(3,013)	(1,187)
Non-cash share-based compensation costs (3)	7,123	6,178	24,544	19,455
(Gain) loss on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs (3)	(1,890)	(1,035)	2,481	(2,040)
Restructuring costs (recovery)	17,001	(238)	38,896	15
(Gain) loss on investments (4)	47	(1,091)	164	(2,930)
Other non-operating and/or non-recurring (income) costs (5)	2,957	2,944	11,742	11,517
Finance costs (income), net - leases	463	515	1,913	2,219
Finance costs (income), net - other (8)	7,918	1,322	5,284	4,130
Income tax expense (recovery) (9)	427	(306)	4,769	8,627
Adjusted EBITDA	$ 34,928	$ 25,861	$ 135,322	$ 109,755
Depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses (7)	(2,376)	(2,161)	(8,955)	(6,028)
Finance (costs) income, net - other (8)	(7,918)	(1,322)	(5,284)	(4,130)
(Gain) loss on hedging transactions, including currency forward contracts and interest expense (income) on swaps	3,396	-	(6,856)	-
Interest accretion on contingent consideration payables	-	-	6	-
Tax effect of adjusted earnings (loss) adjustments (9)	(7,939)	(3,534)	(28,511)	(19,283)
Adjusted earnings (loss)*	$ 20,091	$ 18,844	$ 85,722	$ 80,314
Weighted average number of shares - basic	44,715,291	43,945,167	44,635,448	41,684,077
Weighted average number of restricted shares	597,408	680,150	633,675	580,280
Weighted average number of shares - adjusted	45,312,699	44,625,317	45,269,123	42,264,357
Adjusted earnings (loss) per share (6)	$0.44	$0.42	$1.89	$1.90

(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 consolidated statements of comprehensive income (loss).

[3] Included in employee compensation expenses in the 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 quarter and year ended December 31, 2022 relate to legal, advisory, and other consulting costs related to organizational and strategic initiatives, including those related to the transition of certain members of our leadership team. For the quarter and year ended December 31, 2021, other non-operating and/or non-recurring income (costs) relate to (i) costs relating to the June 13, 2021 cybersecurity incident net of insurance proceeds received and receivable, and (ii) transaction and other related costs. These are included in office and other operating expenses in the consolidated statements of comprehensive income (loss).
[6] Refer to page 4 of this MD&A for the definition of Adjusted EPS.
[7] For the purposes of reconciling to Adjusted Earnings (Loss), the amortization of intangibles of acquired businesses is adjusted from Profit (loss) for the period. Per the quantitative reconciliation above, we have added back depreciation of property, plant and equipment and amortization of intangibles and then deducted the depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses to arrive at the amortization of intangibles of acquired businesses.
[8] For the purposes of reconciling to Adjusted Earnings (Loss), the interest accretion on contingent consideration payables and (gains) losses on hedging transactions and interest expense (income) on swaps is adjusted from Profit (loss) for the period. Per the quantitative reconciliation above, we have added back finance costs (income), net – other and then deducted finance costs (income), net – other prior to adjusting for interest accretion on contingent consideration payables and (gains) losses on hedging transactions and interest expense (income) on swaps.
[9] For the purposes of reconciling to Adjusted Earnings (Loss), only the tax impacts for the reconciling items noted in the definition of Adjusted Earnings (Loss) is adjusted from Profit (loss) for the period. Please refer to page 3 of this MD&A for the definition of Adjusted Earnings (Loss).

9.2. Constant Currency

The following tables provide a summarization of the foreign exchange rates used as presented based on the average monthly rates, and the foreign exchange rates used for Constant Currency for currencies in which we primarily transact in:

	Quarter ended December 31, 2022		Year ended December 31, 2022	
	As presented	For Constant Currency	As presented	For Constant Currency
Canadian Dollar	1.000	1.000	1.000	1.000
United States Dollar	1.357	1.260	1.301	1.254
Pound Sterling	1.593	1.699	1.608	1.724
Euro	1.386	1.441	1.370	1.483
Australian Dollar	0.892	0.918	0.903	0.942

	Quarter ended December 31, 2021		Year ended December 31, 2021	
	As presented	For Constant Currency	As presented	For Constant Currency
Canadian Dollar	1.000	1.000	1.000	1.000
United States Dollar	1.260	1.303	1.254	1.341
Pound Sterling	1.699	1.721	1.724	1.719
Euro	1.441	1.554	1.483	1.529
Australian Dollar	0.918	0.953	0.942	0.924

10. Summary of Quarterly Results

	2022					2021				
In thousands of dollars, except for per share amounts	**Fiscal 2022**	**Dec 31**	Sep 30	Jun 30	Mar 31	Fiscal 2021	Dec 31	Sep 30	Jun 30	Mar 31
Results of Operations										
Revenues	$ 735,451	$ 183,762	$ 177,691	$ 206,414	$ 167,584	$ 625,387	$ 162,909	$ 151,797	$ 173,523	$ 137,158
Adjusted EBITDA	$ 135,322	$ 34,928	$ 32,910	$ 49,743	$ 17,741	$ 109,755	$ 25,861	$ 24,415	$ 42,239	$ 17,240
Adjusted EBITDA margin	18.4%	19.0%	18.5%	24.1%	10.6%	17.5%	15.9%	16.1%	24.3%	12.6%
Profit (loss) for the period	$ (889)	$ (8,759)	$ 6,827	$ 12,499	$ (11,456)	$ 25,573	$ 6,890	$ (295)	$ 16,341	$ 2,637
Basic earnings (loss) per share:	$(0.02)	$(0.20)	$0.15	$0.28	$(0.26)	$0.62	$0.16	$(0.01)	$0.40	$0.07
Diluted earnings (loss) per share:	$(0.02)	$(0.20)	$0.15	$0.28	$(0.26)	$0.60	$0.15	$(0.01)	$0.39	$0.06
Adjusted earnings (loss) per share	$1.89	$0.44	$0.42	$0.77	$0.27	$1.90	$0.42	$0.39	$0.75	$0.34
Weighted average number shares ('000s):										
Basic	44,635	44,715	44,609	44,508	44,171	41,684	43,945	41,159	41,049	40,552
Diluted	44,635	44,715	45,382	45,179	44,171	42,899	45,269	41,159	42,116	41,642

11. Selected Annual Information

Selected Financial Information	For the year ended December 31,		
In thousands of dollars, except for per share amounts	**2022**	2021	2020
Operations			
Revenues	$ 735,451	$ 625,387	$ 561,156
Revenue growth	17.6%	11.4%	6.7%
Organic Revenue growth	12.0%	5.2%	5.2%
Adjusted EBITDA	$ 135,322	$ 109,755	$ 98,928
Adjusted EBITDA growth	23.3%	10.9%	16.8%
Adjusted EBITDA margin	18.4%	17.5%	17.6%
Profit (loss) from continuing operations	$ (889)	$ 25,573	$ 27,009
Profit (loss) from discontinued operations	$ -	$ -	$ (5,576)
Profit (loss)	$ (889)	$ 25,573	$ 21,433
Earnings (loss) per share:			
Basic			
Continuing operations	$(0.02)	$0.62	$0.67
Discontinued operations	$0.00	$0.00	$(0.14)
Diluted			
Continuing operations	$(0.02)	$0.60	$0.66
Discontinued operations	$0.00	$0.00	$(0.14)
Adjusted	$1.89	$1.90	$1.67
Dividends declared per share	$0.60	$0.60	$0.60

Balance Sheet	At December 31,		
	2022	2021	2020
Total assets	$ 1,263,886	$ 1,199,200	$ 735,400
Long-term liabilities (excluding deferred income taxes)	390,552	372,042	191,521

In each of the past three years we have declared and paid quarterly dividends totalling $0.60 annually, per common share to the shareholders.

12. Share Data

As at February 21, 2023, 44,935,421 common shares were outstanding and are net of 570,203 escrowed shares. These escrowed shares are subject to restrictive covenants and may or may not vest. Accordingly, these shares are not included in the total number of common shares outstanding for financial reporting purposes and are not included in basic earnings per share calculations.

As at December 31, 2022, there were 2,330,062 share options outstanding (December 31, 2021 - 1,469,881 share options outstanding) at a weighted average exercise price of $45.42 per share (December 31, 2021 - $41.39 per share) and 561,324 share options were exercisable (December 31, 2021 - 454,286). All share options are exercisable into common shares on a one-for-one basis.

Shareholders who are resident in Canada may elect to automatically reinvest quarterly dividends in additional Altus Group common shares under our Dividend Reinvestment Plan ("DRIP").

Pursuant to the DRIP, and in the case where common shares are issued from treasury, cash dividends will be reinvested in additional Altus Group common shares at the weighted average market price of our common shares for the five trading days immediately preceding the relevant dividend payment date, less a discount, currently set at 4%. In the case where common shares will be purchased on the open market, cash dividends will be reinvested in additional Altus Group common shares at the relevant average market price paid in respect of satisfying this reinvestment plan.

For the year ended December 31, 2022, 46,638 common shares (2021 - 59,423 common shares) were issued under the DRIP.

13. Financial Instruments and Other Instruments

Financial instruments held in the normal course of business included in our consolidated balance sheet as at December 31, 2022 consist of cash and cash equivalents, trade receivables and other (excluding deferred costs to obtain customer contracts and prepayments), trade payables and other (excluding contract liabilities), income taxes recoverable and payable, investments, borrowings and derivative financial instruments. We do not enter into financial instrument arrangements for speculative purposes.

The fair values of the short-term financial instruments approximate their carrying values. The fair values of borrowings are not significantly different than their carrying values, as these instruments bear interest at rates comparable to current market rates. The fair values of other long-term assets and liabilities, and contingent consideration payables are measured using a discounted cash flow analysis of expected cash flows in future periods. The investments in equity instruments are measured based on valuations of the respective entities. Investments in partnerships are measured in relation to the fair value of assets in the respective partnerships.

The fair value of the liabilities for our RSUs and DSUs as at December 31, 2022 was approximately $22.8 million, based on the published trading price on the TSX for our common shares.

We are exposed to interest rate risk in the event of fluctuations in the Canadian prime rates, Canadian bankers' acceptance rates, U.S. base rates, or SONIA, SOFR, and €STR rates, as the interest rates on the bank credit facilities fluctuate with changes in these rates.

To mitigate our exposure to interest rate fluctuations, we monitor interest rates and consider entering into interest rate swap agreements in connection with our bank credit facilities. On April 29, 2022, we entered into interest rate

swap agreements for a total notional amount of GBP57.0 million. The net fair value of this derivative is $7.4 million in our favour.

We are exposed to price risk as the liabilities for cash-settled plans are classified as fair value through profit or loss, and linked to the price of our common shares.

We enter into equity derivatives to manage our exposure to changes in the fair value of RSUs and DSUs, issued under their respective plans, due to changes in the fair value of our common shares. Changes in the fair value of these derivatives are recorded as employee compensation expense and offset the impact of mark-to-market adjustments on the RSUs and DSUs that have been accrued.

As at December 31, 2022, we have equity derivatives relating to RSUs and DSUs outstanding with a notional amount of $17.1 million. The net fair value of these derivatives is $12.8 million in our favour.

We are exposed to credit risk with respect to our cash and cash equivalents, trade receivables and other and derivative financial instruments. Credit risk is not concentrated with any particular customer. In certain parts of our business, it is often common business practice of our customers to pay invoices over an extended period of time and/or at the completion of the project or on receipt of funds. We assess lifetime expected credit losses for all trade receivables and contract assets for unbilled revenue on customer contracts by grouping customers with shared credit risk characteristics, the days past due, and by incorporating forward-looking information as applicable.

Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. We manage liquidity risk through the management of our capital structure and financial leverage. We also manage liquidity risk by continuously monitoring actual and projected cash flows, taking into account the seasonality of our revenues and receipts and the maturity profile of our financial assets and liabilities. Our Board of Directors reviews and approves our operating and capital budgets, as well as any material transactions outside the ordinary course of business, including proposals on mergers, acquisitions or other major investments.

14. Contingencies

From time to time, we or our 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, we believe that our liabilities, if any, arising from such matters will not have a material adverse effect on our financial position or results of operations and have been adequately provided for in the financial statements.

In the ordinary course of business, we are 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 we made in our tax filings, which could lead to assessments and reassessments. These assessments and reassessments may have a material adverse effect on our financial position or results of operations.

15. Accounting Policies, Estimates, and Judgments

15.1. Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. It also requires management to exercise its judgment in applying our 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 discussion sets forth management's most significant estimates and assumptions in determining the value of assets and liabilities and the most significant judgments in applying accounting policies.

Revenue Recognition and Determination and Allocation of the Transaction Price

We estimate variable consideration for contingency arrangements on a project-by-project basis. Variable consideration is not constrained only to the extent that it is highly probable that the amount will not be subject to significant reversal when the uncertainty is resolved, which is when savings are realized by the customer, unless the contractual terms provide for an enforceable right to payment for performance completed.

The transaction price is allocated on the basis of the relative standalone selling prices for contracts with more than one performance obligation. Estimation of the standalone selling price involves reasonably available data points, market conditions, entity-specific factors and information about the customer or class of customer and to similar customers as evidence of the standalone selling price for each performance obligation; however when one is not available, the standalone selling price is estimated. Where the observable price is not available, based on the specific facts and circumstances, either the adjusted market assessment or the expected cost plus a margin approach is applied. The determination of the standalone selling prices requires significant judgment.

Impairment of Trade Receivables and Contract Assets

The impairment provisions for trade receivables and contract assets determined under IFRS 9, *Financial Instruments*, are based on assumptions about the risk of default and expected loss rates. We use judgment in making these assumptions and selecting the inputs to the impairment calculation based on our past history, existing market conditions, including COVID-19 considerations, and forward-looking estimates at the end of each reporting period. Such estimates and judgments could impact trade receivables, contract assets for unbilled revenue on customer contracts and office and other operating expenses.

Estimated Impairment of Goodwill

We test at least annually whether goodwill is subject to any impairment. Goodwill impairment is evaluated between annual tests upon the occurrence of events or changes in circumstances. Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or group of CGUs that are expected to benefit from synergies of the business combination in which the goodwill arose. Goodwill is tested for impairment in the groups of CGUs for which it is monitored by management. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount for any CGU is determined based on the higher of fair value less costs to sell and value in use. Both of the valuation approaches require the use of estimates. Significant erosion in the general state of the economy could result in increased impairment losses. For the year ended December 31, 2022, no goodwill impairment charge was recorded (2021 - $nil).

Determination of Purchase Price Allocations and Contingent Consideration

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Judgments are also made in determining whether any consideration transferred for an acquisition relates to future compensation arrangements and are therefore to be excluded from the purchase price allocation. Furthermore, estimates are made in determining the value of contingent consideration payments that should be recorded as part of the consideration on the date of acquisition and changes in contingent consideration payable in subsequent reporting periods. Contingent consideration payments are generally based on acquired businesses achieving certain performance targets. The estimates are based on our best assessment of the related inputs used in the valuation models, such as future cash flows and discount rates. Future performance results that differ from our estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss.

Income Taxes

We are subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income taxes in the period in which such determination is made.

15.2. Changes in Significant Accounting Policies and Estimates

15.2.1. Adoption of Recent Accounting Pronouncements

Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract

In May 2020, the International Accounting Standards Board ("IASB") issued amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, to specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract and can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The new guidance is effective for annual periods beginning on or after January 1, 2022 and is applied to contracts that have unfulfilled obligations as at the beginning of that period. The amendment did not have a material impact on our financial statements.

Amendments to IFRS 3: Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3, *Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace a reference to a previous version of the IASB's *Conceptual Framework* (1989) with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21, *Levies*, if incurred separately. The amendments also added a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The new guidance is effective for annual periods beginning on or after January 1, 2022 and is applied prospectively. The amendment did not have a material impact on our financial statements.

15.2.2. Future Accounting Pronouncements

We have not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 8: Definition of Accounting Estimate

In February 2021, the IASB issued amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, which introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments also clarify the measurement techniques and inputs used to develop accounting estimates.

The new guidance will be effective for annual periods beginning on or after January 1, 2023, with earlier application permitted, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. We expect the impact of these amendments on our financial statements to not be material.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, and IFRS Practice Statement 2, *Making Materiality Judgments*, to provide guidance in the application of materiality judgments to accounting policy disclosures. These amendments also replaced the requirement for disclosures around 'significant' accounting policies with a requirement to disclose 'material' accounting policies.

The amendment is effective for annual periods beginning on or after January 1, 2023, with earlier application permitted as long as this fact is disclosed. We expect the impact of these amendments on our financial statements to not be material.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12, *Income Taxes*, to provide clarity to whether certain deductions are attributable for tax purposes to the liability recognized in the financial statements or to the related asset component. These amendments also narrow the scope for exemption when recognizing deferred taxes under the initial recognition exemption.

These amendments are effective for annual periods beginning on or after January 1, 2023 and should apply these amendments to transactions that occur on or after the beginning of the earliest comparative period presented. We expect the impact of these amendments on our financial statements to not be material.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Deferral of Effective Date

In January 2020, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date. These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether we have a right to defer settlement of a liability by at least twelve months;
- require disclosures around the relevant information about the covenants to be complied with in order to have the right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether we will exercise our rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance to annual periods beginning on or after January 1, 2024 and is to be applied retrospectively. We have not yet determined the impact of these amendments on our financial statements.

16. Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109").

Management has caused such DC&P to be designed under its supervision to provide reasonable assurance that our material information, including material information of our consolidated subsidiaries, is made known to our Chief Executive Officer and our Chief Financial Officer for the period in which the annual and interim filings are prepared. Further, such DC&P are designed to provide reasonable assurance that information we are required to disclose in our annual filings, interim filings or other reports we have filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the applicable securities legislation.

Management has caused such ICFR to be designed under its supervision using the framework established in Internal Control - Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

Section 3.3(1)(b) of NI 52-109 allows an issuer to limit its design of DC&P and ICFR to exclude controls, policies and procedures of a business that the issuer acquired not exceeding 365 days from the date of acquisition. Management has not limited the scope of the design of DC&P and ICFR to exclude controls, policies and procedures of any acquired businesses as at December 31, 2022.

Management has caused to be evaluated under its supervision the effectiveness of its DC&P as of December 31, 2022 and has concluded that the design and effectiveness of these controls and procedures provide reasonable assurance that material information relating to Altus Group, including our consolidated subsidiaries, was made known to management on a timely basis to ensure adequate disclosure.

Management has caused to be evaluated under its supervision the effectiveness of its ICFR as of December 31, 2022, using the COSO framework. Management has concluded that the overall design and effectiveness of these controls provide reasonable assurance of the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.

There have been no significant changes in our internal controls over financial reporting that occurred for the quarter ended December 31, 2022, the most recently completed interim period, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

The audit committee and our Board of Directors have reviewed and approved this MD&A and the annual financial statements as at and for the year ended December 31, 2022.

17. Additional Information

Additional information relating to Altus Group Limited, including our Annual Information Form, is available on SEDAR at www.sedar.com and on our corporate website at www.altusgroup.com under the Investors tab. Our common shares trade on the TSX under the symbol "AIF".

Altus Group Limited

Consolidated Financial Statements
December 31, 2022 and 2021
(Expressed in Thousands of Canadian Dollars)

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Altus Group Limited are the responsibility of management and have been reviewed and approved by the Board of Directors of Altus Group Limited. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgments. Management has also prepared financial and all other information in the Annual Shareholders' Report and has ensured that this information is consistent with the consolidated financial statements.

Altus Group Limited maintains appropriate systems of internal control, policies and procedures, which provide management with reasonable assurance that assets are safeguarded and the financial records are reliable and form a proper basis for the preparation of the consolidated financial statements.

The Board of Directors of Altus Group Limited ensures that management fulfills its responsibilities for financial reporting and internal control through an Audit Committee. This committee reviews the consolidated financial statements and reports to the Board of Directors. The committee meets with the auditor to discuss the results of the audit, the adequacy of internal accounting controls and financial reporting matters.

The consolidated financial statements have been independently audited by Ernst & Young LLP in accordance with Canadian generally accepted auditing standards. Their report that follows expresses their opinion on the consolidated financial statements of the Company.

"James V. Hannon"

James V. Hannon
Chief Executive Officer
February 23, 2023

"Pawan Chhabra"

Pawan Chhabra
Chief Financial Officer
February 23, 2023

Independent auditor's report

To the Shareholders of
Altus Group Limited

Opinion

We have audited the consolidated financial statements of Altus Group Limited and its subsidiaries [the "Group"], which comprise the consolidated balance sheets as at December 31, 2022 and 2021, and the consolidated statements of comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRS"] as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Goodwill asset impairment	
As at December 31, 2022, the Group has $498M of goodwill. Management assesses at least annually, or at any time if an indicator of impairment exists, whether there has been an impairment loss in the carrying value of goodwill. When performing impairment tests, the Group estimates the recoverable amount of the cash generating units ["CGUs"] to which goodwill has been allocated using a discounted cash flow model to estimate the fair value less costs to sell. The Group discloses significant judgments, estimates and assumptions and the result of their analysis in respect of impairment in Note 19 to the consolidated financial statements. Significant assumptions included cash flow projections, revenue growth rate, EBITDA margins, perpetual growth rates, and business-specific discount rates, which are affected by expectations about future market and economic conditions. Based on our knowledge of the Group's businesses and considering the performance of the different CGUs, we identify CGUs with significant goodwill balances, specific risk factors, and lower excess headroom in the recoverable amount compared to carrying amount of the related CGUs. This matter was identified as a key audit matter in respect of the Appraisals and North America Development Advisory CGUs due to the significant estimation uncertainty and judgment applied by management in determining the recoverable amount. This is primarily due to the sensitivity of the significant assumptions described above to the future cash flows and the effect that changes in these assumptions would have on the recoverable amount of these CGUs.	To test the estimated recoverable amount of the Appraisals and North America Development Advisory CGUs, our audit procedures included the following, among others: • We assessed methodologies and the significant assumptions discussed above and underlying data used by the Group in its analysis with the assistance of our valuation specialists. • We assessed the selection and application of the discount rate by evaluating the inputs and mathematical accuracy of the calculation. • We assessed the historical accuracy of management's estimates on cash flow projections, revenue growth rates and earnings margins by comparing management's past projections to actual and historical performance. We also compared the revenue growth rates to current industry, market and economic trends. • We performed a sensitivity analysis on significant assumptions, including EBITDA margins and discount rates, to evaluate impact on the recoverable amount of the Appraisals and North America Development Advisory CGUs that would result from changes in the assumptions. • We also assessed the adequacy of the Group's disclosures included in note 19 of the accompanying consolidated financial statements in relation to this matter.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis; and
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Laura Sluce.

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 23, 2023

Consolidated Statements of Comprehensive Income (Loss)
For the Years Ended December 31, 2022 and 2021
(Expressed in Thousands of Canadian Dollars, Except for Per Share Amounts)

	Notes	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenues	7	**$ 735,451**	$ 625,387
Expenses			
Employee compensation	8	**463,949**	401,455
Occupancy	16	**7,032**	7,743
Office and other operating		**152,893**	123,023
Depreciation of right-of-use assets	16	**11,968**	12,119
Depreciation of property, plant and equipment	17	**6,562**	5,446
Amortization of intangibles	18	**40,995**	29,017
Acquisition and related transition costs (income)	6	**4,928**	10,137
Share of (profit) loss of joint venture	15	**(3,013)**	(1,187)
Restructuring costs (recovery)	20	**38,896**	15
(Gain) loss on investments	14	**164**	(2,930)
Finance costs (income), net - leases	9, 16	**1,913**	2,219
Finance costs (income), net - other	9	**5,284**	4,130
Profit (loss) before income taxes		**3,880**	34,200
Income tax expense (recovery)	10	**4,769**	8,627
Profit (loss) for the year		**$ (889)**	$ 25,573
Profit (loss) for the period attributable to:			
Non-controlling interest		**$ (3)**	$ (115)
Shareholders of the Company		**$ (886)**	$ 25,688
Other comprehensive income (loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Currency translation differences		**11,027**	(4,828)
Items that are not reclassified to profit or loss in subsequent periods:			
Changes in investments measured at fair value through other comprehensive income, net of tax	14	**(328)**	2,476
Other comprehensive income (loss), net of tax		**10,699**	(2,352)
Total comprehensive income (loss) for the year, net of tax		**$ 9,810**	$ 23,221
Comprehensive income (loss) for the year, net of tax, attributable to:			
Non-controlling interest		**$ (3)**	$ (115)
Shareholders of the Company		**$ 9,813**	$ 23,336
Earnings (loss) per share attributable to the shareholders of the Company during the year			
Basic earnings (loss) per share	25	**$(0.02)**	$0.62
Diluted earnings (loss) per share	25	**$(0.02)**	$0.60

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

Consolidated Balance Sheets
As at December 31, 2022 and 2021
(Expressed in Thousands of Canadian Dollars)

	Notes	December 31, 2022	December 31, 2021
Assets			
Current assets			
Cash and cash equivalents	11	**$ 55,267**	$ 51,271
Trade receivables and other	12	**255,518**	223,315
Income taxes recoverable		**7,399**	3,280
Derivative financial instruments	13	**1,694**	5,868
Total current assets		**319,878**	283,734
Non-current assets			
Trade receivables and other	12	**6,969**	2,818
Derivative financial instruments	13	**18,519**	15,661
Investments	14	**19,313**	20,806
Investment in joint venture	15	**19,509**	16,496
Deferred tax assets	10	**28,855**	24,089
Right-of-use assets	16	**38,873**	59,992
Property, plant and equipment	17	**21,582**	21,624
Intangibles	18	**292,806**	286,670
Goodwill	19	**497,582**	467,310
Total non-current assets		**944,008**	915,466
Total assets		**$ 1,263,886**	$ 1,199,200
Liabilities			
Current liabilities			
Trade payables and other	20	**$ 222,941**	$ 193,388
Income taxes payable		**2,063**	2,629
Lease liabilities	16	**14,856**	13,914
Total current liabilities		**239,860**	209,931
Non-current liabilities			
Trade payables and other	20	**27,265**	24,913
Lease liabilities	16	**45,459**	57,225
Borrowings	21	**317,828**	286,924
Deferred tax liabilities	10	**33,604**	27,864
Non-controlling interest	22	**-**	2,980
Total non-current liabilities		**424,156**	399,906
Total liabilities		**664,016**	609,837
Shareholders' equity			
Share capital	23	**747,668**	726,325
Contributed surplus		**48,608**	42,364
Accumulated other comprehensive income (loss)		**47,165**	38,439
Other equity	6	**-**	(244)
Retained earnings (deficit)		**(243,571)**	(217,406)
Equity attributable to the shareholders of the Company		**599,870**	589,478
Non-controlling interest	22	**-**	(115)
Total shareholders' equity		**599,870**	589,363
Total liabilities and shareholders' equity		**$ 1,263,886**	$ 1,199,200

The accompanying notes are an integral part of these consolidated financial statements.
Commitments and contingencies (Note 29)

Approved on behalf of the Board of Directors

"Raymond Mikulich"
Raymond Mikulich

"Janet Woodruff"
Janet Woodruff

Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021
(Expressed in Thousands of Canadian Dollars)

	Notes	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Other Equity	Retained Earnings (Deficit)	Total	Non-controlling Interest	Total Shareholders' Equity
As at January 1, 2021		$ 529,866	$ 30,428	$ 40,791	$ -	$ (217,636)	$ 383,449	$ -	$ 383,449
Profit (loss) for the year		-	-	-	-	25,688	25,688	(115)	25,573
Other comprehensive income (loss), net of tax:									
Currency translation differences		-	-	(4,828)	-	-	(4,828)	-	(4,828)
Changes in investments measured at fair value through other comprehensive income		-	-	2,476	-	-	2,476	-	2,476
Total comprehensive income (loss) for the year		-	-	(2,352)	-	25,688	23,336	(115)	23,221
Change in fair value of non-controlling interest liability		-	-	-	(244)	-	(244)	-	(244)
Transactions with owners:									
Dividends declared		-	-	-	-	(25,458)	(25,458)	-	(25,458)
Share-based compensation		-	23,938	-	-	-	23,938	-	23,938
Issued on bought deal financing		164,771	-	-	-	-	164,771	-	164,771
Dividend Reinvestment Plan		3,294	-	-	-	-	3,294	-	3,294
Shares issued on exercise of options		16,296	(2,482)	-	-	-	13,814	-	13,814
Shares issued for share-based compensation		26,971	(2,585)	-	-	-	24,386	-	24,386
Treasury shares reserved for share-based compensation		(30,786)	-	-	-	-	(30,786)	-	(30,786)
Shares issued on acquisition		8,362	-	-	-	-	8,362	-	8,362
Release of treasury shares		7,551	(7,023)	-	-	-	528	-	528
Gain (loss) on sale of RSs and shares held in escrow		-	88	-	-	-	88	-	88
Total		196,459	11,936	-	(244)	(25,458)	182,693	-	182,693
As at December 31, 2021		$ 726,325	$ 42,364	$ 38,439	$ (244)	$ (217,406)	$ 589,478	$ (115)	$ 589,363
As at January 1, 2022		$ 726,325	$ 42,364	$ 38,439	$ (244)	$ (217,406)	$ 589,478	$ (115)	$ 589,363
Profit (loss) for the year		-	-	-	-	(886)	(886)	(3)	(889)
Other comprehensive income (loss), net of tax:									
Currency translation differences		-	-	11,027	-	-	11,027	-	11,027
Changes in investments measured at fair value through other comprehensive income		-	-	(328)	-	-	(328)	-	(328)
Total comprehensive income (loss) for the year		-	-	10,699	-	(886)	9,813	(3)	9,810
Change in fair value of non-controlling interest liability	22	-	-	-	258	-	258	-	258
Transfer of gain on disposal of FVOCI investments		-	-	(1,973)	-	1,973	-	-	-
Purchase of subsidiary shares from non-controlling interest	22	-	-	-	(14)	(104)	(118)	118	-
Transactions with owners:									
Dividends declared	26	-	-	-	-	(27,148)	(27,148)	-	(27,148)
Share-based compensation	24	-	29,380	-	-	-	29,380	-	29,380
Deferred tax arising from share-based payment transactions		-	300	-	-	-	300	-	300
Dividend Reinvestment Plan	23	2,357	-	-	-	-	2,357	-	2,357
Shares issued on exercise of options	23, 24	9,582	(1,421)	-	-	-	8,161	-	8,161
Shares issued for share-based compensation	23, 24	11,364	(3,264)	-	-	-	8,100	-	8,100
Treasury shares reserved for share-based compensation	24	(12,859)	-	-	-	-	(12,859)	-	(12,859)
Release of treasury shares	23, 24	21,068	(18,687)	-	-	-	2,381	-	2,381
Cancellation of shares	23	(10,169)	-	-	-	-	(10,169)	-	(10,169)
Gain (loss) on sale of RSs and shares held in escrow		-	(64)	-	-	-	(64)	-	(64)
Total		21,343	6,244	(1,973)	244	(25,279)	579	118	697
As at December 31, 2022		**$ 747,668**	**$ 48,608**	**$ 47,165**	**$ -**	**$ (243,571)**	**$ 599,870**	**$ -**	**$ 599,870**

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

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021
(Expressed in Thousands of Canadian Dollars)

	Notes	For the year ended December 31, 2022	For the year ended December 31, 2021
Cash flows from operating activities			
Profit (loss) before income taxes		**$ 3,880**	$ 34,200
Adjustments for:			
Depreciation of right-of-use assets	16	**11,968**	12,119
Depreciation of property, plant and equipment	17	**6,562**	5,446
Amortization of intangibles	18	**40,995**	29,017
Finance costs (income), net - leases	9	**1,913**	2,219
Finance costs (income), net - other	9	**5,284**	4,130
Share-based compensation	26	**29,380**	23,938
Unrealized foreign exchange (gain) loss		**(3,854)**	1,104
(Gain) loss on investments	14	**164**	(2,930)
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles		**825**	(248)
(Gain) loss on equity derivatives	13	**8,740**	(10,252)
Share of (profit) loss of joint venture	15	**(3,013)**	(1,187)
Impairment of right-of-use assets, net of (gain) loss on sub-leases	16, 20	**6,906**	-
Net changes in:			
Operating working capital		**177**	(34,831)
Liabilities for cash-settled share-based compensation		**(5,303)**	9,199
Deferred consideration payables		**(3,384)**	6,668
Contingent consideration payables		**3,010**	132
Net cash generated by (used in) operations		**104,250**	78,724
Less: interest paid on borrowings		**(11,729)**	(3,606)
Less: interest paid on leases		**(1,913)**	(2,219)
Less: income taxes paid		**(14,832)**	(19,547)
Add: income taxes refunded		**1,309**	2,956
Net cash provided by (used in) operating activities		**77,085**	56,308
Cash flows from financing activities			
Proceeds from exercise of options	23, 24	**8,161**	13,814
Proceeds from share issuance, net of transaction costs	23	**-**	164,771
Financing fees paid		**(1,898)**	(414)
Proceeds from borrowings	21	**84,500**	341,024
Repayment of borrowings	21	**(57,136)**	(178,819)
Payments of principal on lease liabilities	16	**(14,982)**	(12,070)
Dividends paid	26	**(24,699)**	(21,564)
Treasury shares purchased for share-based compensation	23, 24	**(4,608)**	(6,312)
Cancellation of shares		**(8,003)**	-
Net cash provided by (used in) financing activities		**(18,665)**	300,430
Cash flows from investing activities			
Purchase of investments	14	**(858)**	(4,157)
Purchase of intangibles	18	**(19,047)**	(4,664)
Purchase of property, plant and equipment	17	**(5,433)**	(5,965)
Proceeds from investments	14	**22**	326
Proceeds from disposal of investments	14	**1,112**	-
Acquisitions, net of cash acquired	6, 22	**(29,853)**	(358,855)
Net cash provided by (used in) investing activities		**(54,057)**	(373,315)
Effect of foreign currency translation		**(367)**	(1,789)
Net increase (decrease) in cash and cash equivalents		**3,996**	(18,366)
Cash and cash equivalents, beginning of year		**51,271**	69,637
Cash and cash equivalents, end of year		**$ 55,267**	$ 51,271

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

1. Business and Structure

Altus Group Limited (the “Company”) is a leading provider of asset and fund intelligence for commercial real estate. The Company delivers intelligence as a service to its global client base through a connected platform of industry-leading technology, advanced analytics and advisory services. The Company is a global company headquartered in Toronto with approximately 2,700 employees across North America, EMEA and Asia Pacific.

The Company conducts its business through two business units: Analytics and Commercial Real Estate Consulting.

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

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements have been prepared on a going concern basis using the historical cost convention, except for the revaluation of certain financial assets and financial liabilities, including investments, derivatives, and debt and equity instruments and contingent consideration that have been measured at fair value.

Changes to significant accounting policies and estimates are described in Note 4.

These consolidated financial statements were approved by the Board of Directors for issue on February 23, 2023.

3. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

Consolidation

Subsidiaries
Investments in other entities where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, are considered subsidiaries. Subsidiaries are fully consolidated from the date at which control is determined to have occurred and are de-consolidated from the date that the Company no longer controls the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany transactions and balances are eliminated.

3. Summary of Significant Accounting Policies, cont'd

The Company uses the acquisition method of accounting to account for business combinations, when control is acquired. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the identifiable net assets acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Joint Venture

Joint ventures are joint arrangements over which the Company has joint control along with the other parties to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method and initially recognized at cost.

The Company's share of (profit) loss of joint venture subsequent to the initial combination is recognized in profit or loss, and its share of movements in other comprehensive income (loss), if any, is recognized in other comprehensive income (loss) until the date on which joint control ceases. Such movements are adjusted against the carrying amount of the Company's investment in joint venture.

Unrealized gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. Unrealized losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred. The accounting policies of its joint venture are consistent with IFRS.

The Company reviews its investment in joint venture for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If impaired, the carrying amount of the Company's investment in joint venture is written down to its estimated recoverable amount, being the higher of fair value less costs to sell and value in use, and charged to profit or loss.

Segment Reporting

Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Operating segments are aggregated when the criteria in IFRS 8, *Operating Segments*, are met. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO").

3. Summary of Significant Accounting Policies, cont'd

Foreign Currency Translation

The consolidated financial statements are presented in Canadian dollars ($), which is the Company's functional and presentation currency. Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which each respective entity operates.

Foreign currency transactions are translated into the appropriate functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss within office and other operating expenses.

The results and financial position of the Company's subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the balance sheets;
- income and expenses are translated at average exchange rates; and
- all resulting exchange differences are recognized in other comprehensive income (loss) within currency translation differences.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the date of the balance sheets.

Leases

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of a lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. If the Company is reasonably certain to obtain ownership of the leased asset, right-of-use assets are depreciated over the estimated useful life of the underlying asset.

The Company's right-of-use assets are depreciated over the following:

Property	1 - 10 years
Equipment	1 - 4 years

Right-of-use assets are also periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. Summary of Significant Accounting Policies, cont'd

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, if applicable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as occupancy expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered of low value. Payments on such leases are recognized as occupancy expense on a straight-line basis over the lease term.

Current and Deferred Income Taxes

The tax expense for the year consists of current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity, in which case the tax is recognized accordingly.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax filings in different jurisdictions with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax assets are recognized only to the extent that it is probable that the assets can be recovered. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets and liabilities are presented as non-current.

3. Summary of Significant Accounting Policies, cont'd

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company applies judgment in identifying and assessing uncertainties over income tax treatments, including those relating to transfer pricing and other tax deductions. The Company recognizes tax treatments (including those of its subsidiaries) to the extent that it is probable that it will be accepted by the applicable taxation authorities.

Tax assets and liabilities are offset when there is a legally enforceable right to offset and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Investment Tax Credits

Investment tax credits, arising from qualifying scientific research and experimental development efforts pursuant to existing tax legislation, are recorded as a reduction of the corresponding expense when there is reasonable assurance of their ultimate realization.

Revenue Recognition

Revenue is recognized upon transfer of control of the promised goods or services to customers in an amount that reflects the consideration to which the Company expects to receive in exchange for those goods or services. Performance obligations are satisfied and revenue is recognized either over time or at a point in time.

Payment terms vary by contract type; however, terms are typically 30 to 60 days.

Unbilled revenue on customer contracts, contract assets under IFRS 15, *Revenue from Contracts with Customers*, relates to conditional rights to consideration for satisfied performance obligations of contracts with customers. Trade receivables are recognized when the right to consideration becomes unconditional. Customer deposits and contract liabilities included in trade payables and other relate to payments received or due in advance of performance under contracts with customers. Contract liabilities are recognized as revenue as (or when) the Company satisfies its performance obligations under the contracts.

Costs to obtain customer contracts represent commissions incurred and would not otherwise have been incurred if the contracts had not been obtained. These costs are incremental and capitalized when the Company expects to recover these costs under each respective customer contract. The asset is amortized over the term of the specific contract it relates to, consistent with the associated pattern of revenue recognition, and is recorded in employee compensation expenses. As a practical expedient, incremental costs of obtaining a contract have been expensed when incurred if the related term is one year or less.

Services

The Company provides services on a time and materials basis, fixed fee basis or contingency basis. Services are offered by all segments of the Company.

3. Summary of Significant Accounting Policies, cont'd

Performance obligations for services on a time and materials or fixed fee basis are typically satisfied over time as services are rendered. In contracts where the Company is not entitled to payment until specific performance obligations are satisfied, revenue is recognized at the time the services are delivered. At contract inception, the Company expects that the period between when the Company transfers control of a promised service to a customer and when the customer pays for that service will be one year or less. As such, the Company applies the practical expedient of not adjusting the consideration for such services for the effects of a significant financing component.

Revenue is recognized based on the extent of progress towards completion of performance obligations, on a project-by-project basis. The method used to measure progress depends on the nature of the services. Revenue is recognized on the basis of time and materials incurred to date relative to the total budgeted inputs. The output method on the basis of milestones is used when the contractual terms align the Company's performance with measurements of value to the customer. Revenue is recognized for services performed to date based on contracted rates and/or milestones that correspond to the consideration that the Company is entitled to invoice.

Performance obligations for contingency arrangements are satisfied at a point in time upon completion of the services. The consideration for such arrangements is performance-based and variable. The estimated variable consideration included in the transaction price considers the extent that it is highly probable that a significant reversal of revenue will not occur when the uncertainty is resolved. This is reassessed at the end of each reporting period.

Service contracts are generally billed subsequent to revenue recognition and result in contract assets. In some contracts, customer deposits render contract liabilities to the extent that they exceed the contract assets, on a project-by-project basis.

Software and data products

The Company's Analytics business offers customers licenses for on-premise software that provide the customer with a right to use the software as it exists when the license is granted to the customer. Customers may purchase on-premise, perpetual licenses or subscription licenses, which provide customers with the same functionality and differ mainly in the duration over which the customer benefits from the software. Revenue from distinct on-premise licenses is recognized upfront at the point in time when the software is delivered to the customer. Perpetual licenses are initially sold with one year of ongoing maintenance and the option to renew thereafter. Support services are sold with subscriptions in all cases. Revenue allocated to ongoing maintenance or support services is recognized ratably over the term of the contract. The standard warranty period is 30 days and it is not considered to be a distinct performance obligation. Contracts related to perpetual licenses and ongoing maintenance are billed upfront and prior to revenue recognition, which generally results in the initial recognition of a contract liability. Contracts related to licenses sold on a subscription basis and support services will vary depending on the contractual terms.

3. Summary of Significant Accounting Policies, cont'd

Access to hosted and cloud software and data products over a specified contract term is provided on either a subscription or usage basis. Revenue for software and data products provided on a subscription basis is recognized ratably over the contract term, and contracts are billed upfront and prior to revenue recognition, which generally results in contract liabilities. Revenue for software products provided on a usage basis, such as the quantity of transactions processed or assets on the Company's platform, is recognized based on the customer utilization of such services. Such contracts are billed subsequent to revenue recognition, which generally results in contract assets.

Financial Assets and Liabilities

Financial assets

The Company classifies its financial assets as amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL").

The Company classifies cash and cash equivalents, and trade receivables at amortized cost as the contractual cash flows are solely payments of principal and interest and the asset is held within a business model with the objective of holding and collecting the contractual cash flows.

The Company classifies its equity investments that are not held for trading at FVOCI as the Company has made an irrevocable election at initial recognition to recognize changes in FVOCI rather than FVPL as these are strategic investments. Upon disposal of these equity investments, any balance within the other comprehensive income reserve for these equity investments is reclassified to retained earnings (deficit) and is not reclassified to profit or loss.

The Company classifies its debt investments at FVOCI where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

The Company classifies its investments in partnerships and derivative financial instruments at FVPL.

Financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost except for those at FVPL, such as derivative financial instruments and contingent consideration payables. Financial liabilities measured at FVPL recognize changes in fair value attributable to the Company's own credit risk in other comprehensive income instead of profit or loss, unless this would create an accounting mismatch.

3. Summary of Significant Accounting Policies, cont'd

Impairment

The Company assesses financial assets for impairment on a forward-looking basis, with the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables and contract assets, the Company applies the simplified approach permitted by IFRS 9, Financial Instruments, which requires lifetime expected credit losses to be recognized from initial recognition of the financial assets, and re-assesses at each reporting period. The Company utilizes a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to customers and the economic environment.

The Company includes the effect of losses and recoveries due to expected credit losses in office and other operating expenses.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances and short-term, highly liquid investments, which generally have original maturities of three months or less at the time of acquisition, and that are subject to an insignificant risk of changes in value. Deposits are repayable on demand and interest, if any, is paid at a fixed or floating market rate.

Derivative Financial Instruments

The Company enters into equity derivatives to manage its exposure to changes in the fair value of its restricted share units ("RSUs") and deferred share units ("DSUs") issued under their respective plans due to changes in the fair value of the Company's common shares. The Company also periodically enters into interest rate swap agreements for the purposes of managing interest rate exposure and into currency forward contracts to manage its foreign exchange exposures. Derivatives are not for trading or speculative purposes.

Derivatives are initially recognized at fair value when a derivative contract is entered into and are subsequently remeasured at their fair value. Depending on the nature of the derivative, changes in fair value are recognized within finance costs (income), net - other, office and other operating expenses, or employee compensation expense.

3. Summary of Significant Accounting Policies, cont'd

Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the assets. Costs incurred with respect to a specific asset are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any replaced part is written off. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Property, plant and equipment are depreciated over the useful life of the assets using the diminishing balance method as follows:

Furniture, fixtures and equipment	20%
Computer equipment	30%

Leasehold improvements are depreciated on a straight-line basis over the shorter of the respective lease term and useful life.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals of property, plant and equipment are determined by comparing the net proceeds with the carrying amount and recognized in office and other operating expenses.

Intangibles

Intangible assets consist of: software, non-compete agreements, and certain identifiable intangible assets acquired through the Company's business acquisitions such as brands, customer backlog, customer lists, databases and data agreements.

The Altus Group, ARGUS and Finance Active brands are intangibles with an indefinite life and are not amortized. Intangibles acquired as part of a business combination are recognized at fair value at the acquisition date and carried at cost less accumulated amortization subsequent to acquisition. Software is recorded at cost less accumulated amortization.

3. Summary of Significant Accounting Policies, cont'd

Intangibles with a finite life are amortized over the useful life of the assets using the straight-line or diminishing balance method as follows:

Brands of acquired businesses	1 - 5 years straight-line
Computer application software	30% diminishing balance
Custom software applications	2 - 8 years straight-line
Internally generated software	2 - 10 years straight-line
Customer backlog	straight-line over remaining life of contracts
Customer lists	5 - 10 years straight-line
Databases	2 - 4 years straight-line
Data agreements	12 years straight-line
Non-compete agreements	straight-line over life of agreements

Costs associated with maintaining computer software applications or incurred during the research phase are recognized as an expense as incurred. Development costs that are directly attributable to the design, build and testing of identifiable and unique software applications controlled by the Company are recognized as intangibles when the following criteria are met:

- it is technically feasible to complete the software application so that it will be available for use or sale;
- management intends to complete the software application and either use or sell it;
- there is an ability to use or sell the software application;
- it can be demonstrated how the software application will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software application are available; and
- the expenditure attributable to the software application during its development can be reliably measured.

Development costs that do not meet these criteria are recognized as an expense as incurred.

3. Summary of Significant Accounting Policies, cont'd

Impairment of Non-financial Assets

Goodwill and intangibles that have an indefinite useful life are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Non-financial assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. For the purposes of assessing impairment, non-financial assets are grouped at the lowest levels for which there are separately identifiable independent cash inflows. Non-financial assets other than goodwill are reviewed for possible reversal of impairment at each reporting date.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from synergies of the business combination in which the goodwill arose. Goodwill is tested for impairment in the CGUs for which it is monitored by the Company. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the disposed entity.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost with any difference between the proceeds, net of transaction costs, and the redemption value recognized in finance costs (income), net - other over the term of the borrowings using the effective interest method.

Borrowings are classified as current liabilities if the payment is due within one year or less. If the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period, or any payments are due after more than one year, these are classified as non-current liabilities.

Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

3. Summary of Significant Accounting Policies, cont'd

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The difference between the nominal amount of the provision and the discounted amount is amortized as a finance cost and correspondingly increases the carrying amount of the provision over the period to settlement.

Employee Benefits

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the date at which the Company can no longer withdraw the offer of these benefits, and, in the case of restructuring, the date at which the Company has recognized costs for a restructuring within the scope of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, which involves the payment of termination benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Profit-sharing and bonus plans

The Company recognizes the expense and related liability for bonuses and profit-sharing awards over the service period where contractually obliged or when there is a past practice that has created a constructive obligation, which can be reliably measured.

Employee Share Purchase Plan

The Company has an Employee Share Purchase Plan ("ESPP"), under which employees may contribute up to 8% of their base salary or base hourly wages towards the purchase of the Company's shares. For each eligible contribution, the Company contributes an additional 33% of the employees' contribution towards their purchase of the Company's shares, up to an annual limit per employee each year. These shares will be purchased from the open market at the prevailing market price on the date of purchase. The Company's contributions are recorded as employee compensation expense in the period incurred.

Share-based Compensation

The Company operates a number of share-based compensation plans as follows:

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

The Company's Executive Compensation Plan comprises two elements: a common share option plan ("Share Option Plan") and an equity compensation plan ("Equity Compensation Plan"). These are both equity-settled compensation arrangements.

In March 2017, a long-term equity incentive plan ("Long-Term Equity Incentive Plan") was established to simplify and replace the Executive Compensation Plan as a means of compensating designated employees of the Company for services provided and promoting share ownership and alignment with the shareholders' interests. This plan contains comprehensive and consistent provisions to govern subsequent awards, including share options, Performance Share Units ("PSUs") and share-based equity awards.

3. Summary of Significant Accounting Policies, cont'd

Options granted under the Executive Compensation Plan and Long-Term Equity Incentive Plan
Share options issued under both plans have a maximum term of 72 months to expiry, generally vest annually over a three-to-four-year period from the date of grant, and are exercisable at the designated common share price, which is calculated as the volume weighted average closing price of the Company's common shares on the TSX for the five business days immediately preceding the grant date. For options issued to certain non-Canadian employees, the designated common share price for which they are exercisable is calculated as the higher of: (a) the mean of the high and low trading prices of the Company's common shares on the TSX on the trading day immediately preceding the grant date, or (b) the volume weighted average closing price of the Company's common shares on the TSX for the five business days immediately preceding the grant date. Except in specific defined circumstances, options and all rights to purchase common shares are forfeited by an employee upon ceasing to be an employee of the Company.

The Company recognizes the fair value of options on the grant date using the Black-Scholes option pricing model as employee compensation expense with a corresponding credit to contributed surplus over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. On the exercise of options to purchase common shares, the consideration paid by the employee and the associated amount of contributed surplus are credited to share capital within shareholders' equity.

At the end of each reporting period, the Company re-assesses its estimate of the number of options that are expected to vest and recognizes the impact of any revisions within employee compensation expense.

Other awards granted under the Equity Compensation Plan and Long-Term Equity Incentive Plan
Under the Equity Compensation Plan, the Company was entitled at its sole discretion to issue each participant a portion of his or her annual discretionary bonus in common shares and/or PSUs. Under the Long-Term Equity Incentive Plan, the Company is entitled at its sole discretion to issue each participant a portion of his or her annual discretionary bonus in common shares and/or PSUs. Common shares and PSUs granted under both plans are subject to certain vesting conditions and generally vest over a three-or-four-year period from the date of grant. The number of such common shares granted is initially determined as an amount equal to the amount of annual discretionary bonus allocated divided by the volume weighted average closing price of the Company's common shares on the TSX for the five business days ending on the day prior to issuance. The PSUs granted under both plans can be settled at the Company's discretion in cash, common shares, or a combination of both. Except in specific defined circumstances, common shares and PSUs are forfeited by an employee upon ceasing to be an employee of the Company. All PSUs granted under the Equity Compensation Plan have been vested and settled.

The number of PSUs that vest under the Long-Term Equity Incentive Plan may range from 0% to 200% based on the Company's total shareholder return ("TSR") relative to a set peer group's average TSR, according to the percentages below, subject to the recipient fulfilling the service condition:

- 20% on December 31 of each year for a period of three years; and
- 40% at the end of the three-year period.

3. Summary of Significant Accounting Policies, cont'd

As the Company typically settles these awards in common shares, the Company recognizes the fair value of the award when granted using the Monte Carlo valuation method as employee compensation expense with a corresponding credit to contributed surplus over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. When common shares are issued to settle the obligation, the amount previously recorded in contributed surplus is transferred to share capital within shareholders' equity.

At the end of each reporting period, the Company re-assesses its estimate of the number of awards that are expected to vest and recognizes the impact of any revisions within employee compensation expense.

(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 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, and 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, which 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.

(iii) Deferred Compensation Plans

The Company has Deferred Compensation Plans that are structured as a restricted share plan ("RS Plan") in Canada and as a restricted share unit plan ("RSU Plan") outside of Canada. Annual grants of RSs or RSUs form part of the total annual discretionary bonus awarded based on the Company exceeding certain annual performance targets, which typically consists of an annual cash bonus of 60%-80% and a RS or RSU award of 20%-40%. On occasion, RSs or RSUs may be granted to certain employees upon acceptance of employment, subject to certain restrictions similar to those applicable for annual grants.

If annual performance targets are met, RSs and RSUs are awarded within three months of the performance year and 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, and that the individual is employed with the Company at the time of release.

Participants are entitled to receive cash dividends or notional distributions that are paid on common shares, respectively. If an employee resigns 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, which 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 17-quarter period beginning in the year in which performance commences and ending on the vesting date. 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 17-quarter period beginning in the year in which performance commences and ending on the vesting date. 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.

(iv) Deferred Share Unit Plans

Directors' Deferred Share Unit Plan

The Company has a Directors' Deferred Share Unit Plan ("Directors' DSU Plan") under which members of the Company's non-executive Board of Directors elect annually to receive all or a portion of their annual retainers and fees in the form of deferred share units ("Directors' DSUs"). The Directors' DSUs vest on the grant date and are settled in cash upon termination of Board service. Participants are also entitled to receive notional distributions in additional Directors' DSUs equal to dividends that are paid on common shares.

For each Directors' DSU granted, the Company recognizes the market value of the Company's common shares on the grant date as employee compensation expense with a corresponding credit to trade payables and other. Changes in the liability subsequently due to changes in fair value of the Company's common shares are recorded as employee compensation expense in the period incurred.

CEO Deferred Share Unit Plan

The Company has a CEO Deferred Share Unit Plan ("CEO DSU Plan") under which the CEO may receive compensation in the form of deferred share units ("CEO DSUs"). The CEO DSUs vest on the third anniversary of the grant date and are settled in cash upon termination of employment. The CEO is also entitled to receive notional distributions in additional CEO DSUs equal to dividends that are paid on common shares. These additional CEO DSUs will, up to the vesting date, vest on the vesting date, and after the vesting date, will vest on the grant date. If the CEO resigns from the Company or is terminated for cause, all CEO DSUs that have not yet vested will be forfeited.

The Company recognizes the fair value of the initial award as employment compensation expense with a corresponding credit to trade payables and other over a three-year period. For the grant of CEO DSUs in respect of notional distributions, the Company recognizes the market value of the Company's common shares on the grant date as employee compensation expense with a corresponding credit to trade payables and other. Changes in the liability subsequently due to changes in fair value of the Company's common shares are recorded as employee compensation expense in the period incurred.

The Directors' DSU Plan and the CEO DSU Plan will herein be referred to as "DSU Plans".

3. Summary of Significant Accounting Policies, cont'd

Share Capital

Common shares issued by the Company are classified as equity.

Incremental costs directly attributable to the issuance of common shares are shown in equity as a deduction, net of tax, from the proceeds.

When the Company purchases its own share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the Company's shareholders until the shares are cancelled or reissued. Where such common shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's shareholders.

Dividends

Dividends to the Company's shareholders are recognized as a liability in the Company's consolidated financial statements in the period in which the dividends are declared by the Company's Board of Directors.

4. Changes in Significant Accounting Policies and Estimates

Adoption of Recent Accounting Pronouncements

Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract
In May 2020, the IASB issued amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, to specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract and can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The new guidance is effective for annual periods beginning on or after January 1, 2022 and is applied to contracts that have unfulfilled obligations as at the beginning of that period. The amendment did not have a material impact on the consolidated financial statements.

Amendments to IFRS 3: Reference to the Conceptual Framework
In May 2020, the IASB issued amendments to IFRS 3, *Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace a reference to a previous version of the IASB's *Conceptual Framework* (1989) with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21, *Levies*, if incurred separately. The amendments also added a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The new guidance is effective for annual periods beginning on or after January 1, 2022 and is applied prospectively. The amendment did not have a material impact on the consolidated financial statements.

Future Accounting Pronouncements

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4. Changes in Significant Accounting Policies and Estimates, cont'd

Amendments to IAS 8: Definition of Accounting Estimate

In February 2021, the IASB issued amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, which introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments also clarify the measurement techniques and inputs used to develop accounting estimates.

The new guidance will be effective for annual periods beginning on or after January 1, 2023, with earlier application permitted, and applies to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. The Company expects the impact of these amendments on its consolidated financial statements to not be material.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, and IFRS Practice Statement 2, *Making Materiality Judgments*, to provide guidance in the application of materiality judgments to accounting policy disclosures. These amendments also replaced the requirement for disclosures around 'significant' accounting policies with a requirement to disclose 'material' accounting policies.

The amendment is effective for annual periods beginning on or after January 1, 2023, with earlier application permitted as long as this fact is disclosed. The Company expects the impact of these amendments on its consolidated financial statements to not be material.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12, *Income Taxes*, to provide clarity to whether certain deductions are attributable for tax purposes to the liability recognized in the financial statements or to the related asset component. These amendments also narrow the scope for exemption when recognizing deferred taxes under the initial recognition exemption.

These amendments are effective for annual periods beginning on or after January 1, 2023 and should apply these amendments to transactions that occur on or after the beginning of the earliest comparative period presented. The Company expects the impact of these amendments on its consolidated financial statements to not be material.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Deferral of Effective Date

In January 2020, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date. These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least 12 months;
- require disclosures around the relevant information about the covenants to be complied with in order to have the right to defer settlement of a liability by at least 12 months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

4. Changes in Significant Accounting Policies and Estimates, cont'd

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance to annual periods beginning on or after January 1, 2024, and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its consolidated financial statements.

5. Critical Accounting Estimates and Judgments

The preparation of consolidated 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 discussion sets forth 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

The Company estimates variable consideration for contingency arrangements on a project-by-project basis. Variable consideration is constrained to the extent that it is highly probable that the amount will not be subject to significant reversal when the uncertainty is resolved, which is when savings are realized by the customer, unless the contractual terms provide for an enforceable right to payment for performance completed.

The transaction price is allocated on the basis of the relative standalone selling prices for contracts with more than one performance obligation. Estimation of the standalone selling price involves reasonably available data points, market conditions, entity-specific factors and information about the customer or class of customer and to similar customers as evidence of the standalone selling price for each performance obligation; however, when one is not available, the standalone selling price is estimated. Where the observable price is not available, based on the specific facts and circumstances, either the adjusted market assessment or the expected cost plus a margin approach is applied. The determination of the standalone selling prices requires significant judgment.

Impairment of Trade Receivables and Contract Assets

The impairment provisions for trade receivables and contract assets disclosed in Notes 12 and 27 determined under IFRS 9 are based on assumptions about the risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation based on the Company's past history, existing market conditions, and forward-looking estimates at the end of each reporting period. Such estimates and judgments could impact trade receivables, contract assets for unbilled revenue on customer contracts and office and other operating expenses.

5. Critical Accounting Estimates and Judgments, cont'd

Estimated Impairment of Goodwill

The Company tests at least annually whether goodwill is subject to any impairment in accordance with the accounting policy stated in Note 3. The recoverable amount for any CGU is determined based on the higher of fair value less costs to sell and value in use. Both of the valuation approaches require the use of estimates. Refer to Note 19 for the results of the impairment assessment.

Determination of Purchase Price Allocations and Contingent Consideration

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Judgments are also made in determining whether any consideration transferred for an acquisition relates to future compensation arrangements and is excluded from the purchase price allocation. Furthermore, estimates are made in determining the value of contingent consideration payments that should be recorded as part of the consideration on the date of acquisition and changes in contingent consideration payable in subsequent reporting periods. Contingent consideration payments are generally based on acquired businesses achieving certain performance targets. The estimates are based on management's best assessment of the related inputs used in the valuation models, such as future cash flows and discount rates. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. Refer to Note 6 for acquisitions and associated purchase price allocations as well as Notes 20 and 27 for the carrying value of contingent consideration payables.

Income Taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income taxes in the period in which such determination is made. Refer to Note 10 for the income tax movements.

6. Acquisitions

Acquisition in 2022

Acquisition of Rethink Solutions Inc.

On May 1, 2022, the Company acquired all of the issued and outstanding shares of Rethink Solutions Inc. ("Rethink Solutions") for $40,641, subject to adjustments. On closing, the Company paid a total of $28,641 in cash, net of working capital adjustments, funded by drawing on its credit facilities. As part of the acquisition, the Company entered into non-competition and non-solicitation agreements with the selling shareholders. In addition, the Company issued 181,892 common shares, valued at $9,000 from treasury, to certain selling shareholders who are continuing as employees of Rethink Solutions following the acquisition. The common shares are held in escrow and will vest and be released subject to continued employment, compliance with certain terms and conditions, and certain performance targets being achieved over a three-year period beginning two months after the closing date. The purchase agreement also provides for contingent consideration of $3,000 subject to certain performance targets being achieved by the third anniversary of the closing date. Based in Canada, Rethink Solutions' team has integrated into the Company's Property Tax reportable segment.

6. **Acquisitions,** cont'd

For accounting purposes, the 181,892 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.

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

		Rethink Solutions
Acquisition-related costs (included in acquisition and related transition costs (income) in the consolidated statements of comprehensive income (loss))	$	935
Consideration:		
Cash (including working capital payable)	$	28,641
Common shares		9,000
Contingent consideration		3,000
Total consideration		40,641
Less: common shares subject to be recognized as employee compensation expense		(8,100)
Less: discount on shares		(900)
Consideration transferred for acquired business		31,641
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Cash and cash equivalents		1,590
Trade receivables and other		162
Property, plant and equipment		272
Right-of-use assets		399
Intangibles		19,600
Trade payables and other		(1,964)
Lease liabilities		(399)
Deferred taxes, net		(5,168)
Total identifiable net assets of acquired business		14,492
Goodwill	$	17,149
Goodwill and intangibles expected to be deductible for tax purposes	$	-

6. Acquisitions, cont'd

Goodwill arising from the acquisition 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:

		Rethink Solutions
Finite-life assets		
Brands of acquired business	$	1,300
Customer lists		3,600
Custom application software		14,700
Total acquired intangibles	$	19,600

Acquisitions in 2021

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 are 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 three 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 has integrated with the Company's Analytics reportable segment.

6. Acquisitions, cont'd

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.

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. 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 are 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. Based in the U.S., StratoDem Analytics' team has integrated with the Company's Analytics reportable segment.

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.

Acquisition of ArGil Property Tax Services Paralegal Professional Corporation

On August 16, 2021, the Company acquired certain assets of ArGil Property Tax Services Paralegal Professional Corporation ("ArGil") for CAD6,148 including a working capital payable of CAD2,148. As part of the transaction, the Company entered into a non-compete agreement with members of management of ArGil. As consideration for these assets, the Company paid cash of CAD1,400 and will pay to the vendors excess working capital of CAD2,148. In addition, the Company issued 40,023 common shares to the vendors valued at CAD2,400 from treasury. The common shares are held in escrow, and will vest and be released equally over three years on each anniversary of the closing date, subject to compliance with certain terms and conditions. The shares issued are also subject to continued employment over the vesting period. The purchase agreement also provides for contingent consideration of CAD200, subject to certain performance targets being achieved over a three-year period from the closing date. ArGil provides property tax services in Ontario, Canada. Based in Canada, the ArGil team has integrated with the Company's Property Tax reportable segment.

6. **Acquisitions,** cont'd

For accounting purposes, the 40,023 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.

Acquisition of Scryer, Inc. (d/b/a Reonomy) ("Reonomy")

On November 12, 2021, the Company acquired all of the issued and outstanding shares of Reonomy for USD201,500 (approximately CAD250,785) (on a cash-free debt-free basis), subject to adjustments. On closing, the Company paid a total of USD218,094 (CAD271,438) in cash, funded with cash on hand and drawing down on the Company's credit facilities. In addition, there was a working capital payable of USD277 (CAD344) that was settled in 2022. As part of the transaction, the Company entered into non-compete agreements with members of management of Reonomy. In addition, the Company issued 58,466 common shares to employees of Reonomy valued at USD3,000 (CAD3,734) from treasury. These common shares are held in escrow and will vest and be released in equal installments on each of the first and second anniversaries of the grant date, subject to compliance with certain terms and conditions. Reonomy is an AI-powered data platform for the CRE industry. Based in the U.S., Reonomy's team has integrated into the Company's Analytics reportable segment.

For accounting purposes, the 58,466 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.

6. Acquisitions, cont'd

The purchase price allocations are based on management's best estimate of fair value, and at the acquisition dates were as follows:

	Finance Active	StratoDem Analytics	ArGil	Reonomy	Total
Acquisition-related costs (included in acquisition and related transition costs (income) in the consolidated statements of comprehensive income (loss))	$ 7,030	$ 810	$ 130	$ 2,420	$ 10,390
Consideration:					
Cash (including working capital payable)	$131,866	$ 19,596	$ 3,548	$ 271,782	$ 426,792
Common shares	18,324	10,320	2,400	3,734	34,778
Deferred consideration	7,098	-	-	-	7,098
Contingent consideration	-	-	200	-	200
Total consideration	157,288	29,916	6,148	275,516	468,868
Less: common shares subject to be recognized as employee compensation expense	(9,453)	(8,738)	(2,400)	(3,734)	(24,325)
Less: discount on shares	(1,774)	(316)	-	-	(2,090)
Less: discount on deferred consideration	(356)	-	-	-	(356)
Less: discount on contingent consideration	-	-	(27)	-	(27)
Less: settlement of put option derivative	(2,215)	-	-	-	(2,215)
Consideration transferred including non-compete agreements	143,490	20,862	3,721	271,782	439,855
Less: consideration transferred for non-compete agreements	(738)	(2,146)	(164)	(3,037)	(6,085)
Consideration transferred for acquired business	142,752	18,716	3,557	268,745	433,770
Recognized amounts of identifiable assets acquired and liabilities assumed:					
Cash and cash equivalents	11,160	-	-	56,448	67,608
Trade receivables and other	10,585	14	2,398	4,238	17,235
Investment in equity instruments	155	-	-	-	155
Property, plant and equipment	749	6	6	301	1,062
Trade payables and other	(23,083)	(270)	-	(35,444)	(58,797)
Right-of-use assets	4,756	-	-	3,338	8,094
Intangibles	105,721	7,262	562	114,340	227,885
Lease liabilities	(4,511)	-	-	(3,332)	(7,843)
Deferred taxes, net	(27,496)	-	-	623	(26,873)
Non-controlling interest	(2,805)	-	-	-	(2,805)
Total identifiable net assets of acquired business	75,231	7,012	2,966	140,512	225,721
Goodwill	$ 67,521	$ 11,704	$ 591	$ 128,233	$ 208,049
Goodwill and intangibles expected to be deductible for tax purposes	$ -	$ 30,149	$ 3,744	$ -	$ 33,893

6. 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 was exercisable beginning in 2022. Changes in the fair value of the liability were recorded with an offset to other equity and changes arising from foreign currency translation are recorded in other comprehensive income (loss). This liability was settled in 2022 (Note 22).

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:

	Finance Active	StratoDem Analytics	ArGil	Reonomy	Total
Finite-life assets					
Brands of acquired businesses	$ -	$ -	$ -	$ 460	$ 460
Customer lists	62,163	446	415	22,116	85,140
Custom application software	30,712	6,590	-	65,590	102,892
Data agreements	-	-	-	26,174	26,174
Customer backlog	-	226	147	-	373
Non-compete agreements	738	2,146	164	3,037	6,085
Total acquired finite-life intangibles	$ 93,613	$ 9,408	$ 726	$ 117,377	$ 221,124
Indefinite-life assets					
Brands of acquired businesses	$ 12,846	$ -	$ -	$ -	$ 12,846
Total acquired intangibles	$ 106,459	$ 9,408	$ 726	$ 117,377	$ 233,970

7. Segmented Information

The Company's segmentation reflects the way the CEO allocates resources and assesses the performance of operating segments, as well as when making decisions about the ongoing operations of the business and the Company's ability to generate cash flows based on the measures of revenue and Adjusted EBITDA. The CEO considers the business from a core services perspective which are Analytics and Commercial Real Estate ("CRE") Consulting. The Company reports the results of its operations through reportable segments: (1) Analytics; and under CRE Consulting services, (2) Property Tax and (3) Appraisals and Development Advisory (rebranded from Valuation and Cost Advisory). These reportable segment results include directly attributable items as well as those that can be allocated on a reasonable basis. Corporate and eliminations include the Company's interests in investments and other businesses that are not reportable operating segments, corporate administrative functions, and eliminations of inter-segment revenue and costs.

7. Segmented Information, cont'd

Adjusted EBITDA represents profit (loss) adjusted for the effects of: profit (loss) from discontinued operations; 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 RSUs and DSUs; (gains) losses on derivatives; restructuring costs (recovery); (gains) losses on investments; (gains) losses on hedging transactions; other costs or income of a non-operating and/or non-recurring nature; and income tax expense (recovery).

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

	Year ended December 31, 2022	Year ended December 31, 2021
Profit (loss) for the year	**$ (889)**	$ 25,573
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 [(1)]	**(11,993)**	(13,199)
Depreciation of right-of-use assets	**11,968**	12,119
Depreciation of property, plant and equipment and amortization of intangibles	**47,557**	34,463
Acquisition and related transition costs (income)	**4,928**	10,137
Unrealized foreign exchange (gain) loss [(2)]	**(3,854)**	1,104
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles [(2)]	**825**	(248)
Share of (profit) loss of joint venture	**(3,013)**	(1,187)
Non-cash share-based compensation costs [(3)]	**24,544**	19,455
(Gain) loss on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs [(3)]	**2,481**	(2,040)
Restructuring costs (recovery)	**38,896**	15
(Gain) loss on investments [(4)]	**164**	(2,930)
Other non-operating and/or non-recurring (income) costs [(5)]	**11,742**	11,517
Finance costs (income), net - leases	**1,913**	2,219
Finance costs (income), net - other	**5,284**	4,130
Income tax expense (recovery)	**4,769**	8,627
Adjusted EBITDA	**$ 135,322**	$ 109,755

(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 consolidated statements of comprehensive income (loss).
(3) Included in employee compensation expenses in the 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 year ended December 31, 2022 relate to legal, advisory, and other consulting costs related to organizational and strategic initiatives, including those related to the transition of certain members of the leadership team. For the year ended December 31, 2021, other non-operating and/or non-recurring income (costs) relate to (i) costs relating to the June 13, 2021 cybersecurity incident net of insurance proceeds received or receivable, and (ii) transaction and other related costs. These are included in office and other operating expenses in the consolidated statements of comprehensive income (loss).

7. Segmented Information, cont'd

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

Segment Revenues and Expenditures

						Year ended December 31, 2022
	Analytics	Commercial Real Estate Consulting		Corporate	Eliminations	**Total**
		Property Tax	Appraisals and Development Advisory			
Revenues from external customers	$ 345,193	$ 268,567	$ 121,691	$ -	$ -	**$ 735,451**
Inter-segment revenues	910	16	(222)	-	(704)	**-**
Total segment revenues	346,103	268,583	121,469	-	(704)	**735,451**
Adjusted EBITDA	71,730	87,533	17,099	(41,040)	-	**135,322**
Depreciation of right-of-use assets	6,361	2,408	2,350	849	-	**11,968**
Depreciation of property, plant and equipment and amortization of intangibles	30,714	14,377	1,633	833	-	**47,557**
Finance costs (income), net - leases	391	478	373	671	-	**1,913**
Finance costs (income), net - other	-	-	-	5,284	-	**5,284**
Income tax expense (recovery)	-	-	-	4,769	-	**4,769**

Unsatisfied performance obligations on fixed long-term customer contracts, mainly within Analytics and the Development Advisory practice, are $90,483 as of December 31, 2022 (December 31, 2021 - $81,820). It is expected that approximately 53% of the fixed customer contract value will be recognized as revenue over the next 12 months, approximately 32% in the year following, and the balance thereafter. This amount excludes contract values that have variable or contingency-based arrangements, which account for a significant portion of the revenue recognized in the current year. The Company applies the practical expedient to not disclose the unsatisfied portions of performance obligations related to contracts with a duration of one year or less, or the unsatisfied portions of performance obligations where the revenue recognized corresponds with the amounts invoiced to customers.

7. Segmented Information, cont'd

						Year ended December 31, 2021
	Analytics	Commercial Real Estate Consulting		Corporate	Eliminations	Total
		Property Tax	Appraisals and Development Advisory			
Revenues from external customers	$ 250,610	$ 259,908	$ 114,869	$ -	$ -	$ 625,387
Inter-segment revenues	474	3	(176)	-	(301)	-
Total segment revenues	251,084	259,911	114,693	-	(301)	625,387
Adjusted EBITDA	41,567	87,616	16,440	(35,868)	-	109,755
Depreciation of right-of-use assets	6,077	2,955	2,496	591	-	12,119
Depreciation of property, plant and equipment and amortization of intangibles	19,334	12,866	1,363	900	-	34,463
Finance costs (income), net - leases	464	674	483	598	-	2,219
Finance costs (income), net - other	-	-	-	4,130	-	4,130
Income tax expense (recovery)	-	-	-	8,627	-	8,627

Geographic Information - Revenue from External Customers

	Year ended December 31, 2022	Year ended December 31, 2021
Canada	**$ 199,700**	$ 185,709
U.S.	**328,316**	232,712
U.K.	**125,767**	143,651
France	**32,153**	24,424
Rest of EMEA	**15,775**	10,726
Australia	**25,530**	23,576
Rest of Asia Pacific	**8,210**	4,589
Total	**$ 735,451**	$ 625,387

8. Employee Compensation

		Year ended December 31, 2022		Year ended December 31, 2021
Salaries and benefits	**$**	**434,569**	$	377,517
Share-based compensation (Note 24)		**29,380**		23,938
Employee compensation	**$**	**463,949**	$	401,455

During the year ended December 31, 2022, the Company's contributions to the Employee Share Purchase Plan were $353 and are recorded in employee compensation expense.

9. Finance Costs (Income), Net

		Year ended December 31, 2022		Year ended December 31, 2021
Interest on bank credit facilities	**$**	**12,541**	$	3,918
Interest on lease liabilities		**1,913**		2,219
Interest - other		**104**		458
Change in fair value of interest rate swaps (Note 13)		**(6,856)**		-
Finance costs		**7,702**		6,595
Finance income		**(505)**		(246)
Finance costs (income), net	**$**	**7,197**	$	6,349

10. Income Taxes

		Year ended December 31, 2022		Year ended December 31, 2021
Current income taxes				
Current income tax on profits for the year	**$**	**11,494**	$	18,567
Adjustments in respect of prior years		**(696)**		482
Total current income taxes		**10,798**		19,049
Deferred income taxes				
Origination and reversal of temporary differences		**(6,427)**		(10,538)
Adjustments in respect of prior years		**327**		(572)
Change in income tax rates		**71**		688
Total deferred income taxes		**(6,029)**		(10,422)
Income tax expense (recovery)	**$**	**4,769**	$	8,627

10. Income Taxes, cont'd

The reconciliation between income tax expense and the tax applicable to profits in Canada is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Profit (loss) before income taxes	**$ 3,880**	$ 34,200
Tax calculated at domestic income tax rate applicable to profits in Canada (26.9%)	**1,044**	9,200
Tax effects of:		
Impact of countries with different income tax rates	**(490)**	(3,131)
Losses and deductible temporary differences for which no deferred tax asset has been recognized	**3,903**	529
Change in income tax rates	**64**	688
Expenses not deductible for income tax purposes	**507**	837
Other	**(259)**	504
Income tax expense (recovery)	**$ 4,769**	$ 8,627
Effective tax rate	**122.9%**	25.2%

Deferred Income Taxes

The gross movement on the deferred income taxes account is as follows:

	Amount
Balance as at January 1, 2021	$ 12,684
(Charged) credited to profit or loss	10,422
(Charged) credited to other comprehensive income (loss)	(550)
(Charged) credited to share capital or goodwill	(26,861)
Exchange differences and others	530
Balance as at December 31, 2021	(3,775)
(Charged) credited to profit or loss	6,029
(Charged) credited to other comprehensive income (loss)	(3,147)
(Charged) credited to share capital or goodwill	(5,168)
Exchange differences and others	1,312
Balance as at December 31, 2022	**$ (4,749)**

10. Income Taxes, cont'd

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Non-capital Income Tax Losses	Tax Deductible Goodwill	Other	Total
Deferred income tax assets				
Balance as at January 1, 2021	$ 3,561	$ 8,687	$ 17,739	$ 29,987
(Charged) credited to profit or loss	31,050	430	7,103	38,583
(Charged) credited to other comprehensive income (loss)	-	-	(1,149)	(1,149)
Exchange differences and others	(136)	(53)	(241)	(430)
Balance as at December 31, 2021	34,475	9,064	23,452	66,991
(Charged) credited to profit or loss	(6,535)	9,332	(6,531)	(3,734)
(Charged) credited to other comprehensive income (loss)	-	-	(2,036)	(2,036)
Exchange differences and others	2,108	509	852	3,469
Balance as at December 31, 2022	**$ 30,048**	**$ 18,905**	**$ 15,737**	**$ 64,690**

	Accelerated Tax Depreciation	Unbilled Revenue on Customer Contracts	Intangibles	Other	Total
Deferred income tax liabilities					
Balance as at January 1, 2021	$ (103)	$ (74)	$ (16,775)	$ (351)	$ (17,303)
(Charged) credited to profit or loss	70	(14)	(27,909)	(308)	(28,161)
(Charged) credited to other comprehensive income (loss)	-	-	-	599	599
(Charged) credited to share capital or goodwill	-	-	(26,861)	-	(26,861)
Exchange differences and others	2	4	952	2	960
Balance as at December 31, 2021	(31)	(84)	(70,593)	(58)	(70,766)
(Charged) credited to profit or loss	(25)	(11)	8,702	1,097	9,763
(Charged) credited to other comprehensive income (loss)				(1,111)	(1,111)
(Charged) credited to share capital or goodwill			(5,168)		(5,168)
Exchange differences and others	7	1	(2,183)	18	(2,157)
Balance as at December 31, 2022	**$ (49)**	**$ (94)**	**$ (69,242)**	**$ (54)**	**$ (69,439)**

Deferred income tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable based on future estimated profits in excess of the profits arising on the reversal of existing taxable temporary differences. Evidence supporting recognition of these deferred income tax assets includes earnings forecasts and the utilization of tax losses in the current year.

10. Income Taxes, cont'd

As at December 31, 2022, the following are the recognized net operating loss carryforwards from U.S. acquisitions, which may be applied against taxable income of future years, no later than as follows:

		Amount
2024	$	148
2036		4,086
Indefinite		101,671
Total	**$**	**105,905**

The unrecognized net operating loss carryforwards in the U.S. is approximately $1,120 and is available to reduce taxable income of a foreign subsidiary; $631 of losses expire in 2037 and $489 of losses may be carried forward indefinitely.

In EMEA, there are unrecognized loss carryforwards of approximately $6,129 that may be carried forward indefinitely. Net operating losses of approximately $4,659 are recognized and may be carried forward indefinitely to be applied against reversal of existing taxable temporary differences and taxable income of future years.

The Company has net operating losses of approximately $492 in Asia Pacific that are recognized and may be carried forward indefinitely. It has unrecognized net operating loss carryforwards in Asia Pacific of approximately $6,717 that are available to reduce taxable income of certain foreign subsidiaries; $2,747 of losses expire between 2023 and 2030 and $3,970 of losses may be carried forward indefinitely.

The Company has net operating losses of approximately $14,875 in Canada that are recognized and expire between 2038 and 2041. It has unrecognized net operating losses of approximately $32,408, of which, $12,602 of losses expire in 2041 and $19,806 of losses expire in 2042. Further, one of the Canadian subsidiaries of the Company has net operating losses of approximately $169 that are recognized and will expire in 2042.

11. Cash and Cash Equivalents

		December 31, 2022		December 31, 2021
Cash on hand	**$**	**54,771**	$	49,536
Short-term deposits		**496**		1,735
Cash and cash equivalents	**$**	**55,267**	$	51,271

12. Trade Receivables and Other

	December 31, 2022	December 31, 2021
Trade receivables	**$ 188,596**	$ 171,268
Less: loss allowance provision	**(19,163)**	(19,913)
Trade receivables, net	**169,433**	151,355
Contract assets: unbilled revenue on customer contracts (1)	**56,028**	47,677
Deferred costs to obtain customer contracts	**4,598**	1,942
Prepayments	**23,777**	20,903
Due from related party (GeoVerra)	**-**	3,074
Net investment in sub-leases	**5,221**	71
Other receivables	**3,430**	1,111
Total trade receivables and other	**262,487**	226,133
Less: non-current portion	**(6,969)**	(2,818)
Trade receivables and other - current	**$ 255,518**	$ 223,315

(1) As at December 31, 2022, contract assets are stated net of expected credit losses of $1,028 (December 31, 2021 - $787).

For the year ended December 31, 2022, amortization associated with deferred costs to obtain customer contracts of $3,648 was expensed to the consolidated statements of comprehensive income (loss) (2021 - $2,696). For the years ended December 31, 2022 and 2021, no impairment losses on deferred costs were recognized.

13. Derivative Financial Instruments

	December 31, 2022	December 31, 2021
Assets		
Equity derivative contracts	**$ 12,789**	$ 21,529
Interest rate swaps	**7,424**	-
Total derivative financial instruments	**20,213**	21,529
Less: non-current portion	**(18,519)**	(15,661)
Derivative financial instruments - current	**$ 1,694**	$ 5,868

At the time of issuance of various share-based compensation instruments, the Company entered into equity derivative contracts with counterparties to manage the exposure to the change in fair value of the share-based compensation in relation to the change in fair value of the Company's common shares.

13. Derivative Financial Instruments, cont'd

The following table summarizes the equity derivative contracts outstanding as at December 31, 2022 and 2021, and number of RSUs, DSUs and LTIRSUs for which they relate:

			December 31, 2022		December 31, 2021	
Effective Date	Description	Contract Expiry	Notional Amount	Fair Value [2]	Notional Amount	Fair Value [2]
March 28, 2014	196,860 (2021 - 195,001) DSUs	March 22, 2023 [1]	**$ 6,220**	**$ 4,448**	$ 5,989	$ 7,879
March 13, 2019	Nil (2021 - 115,923) RSUs relating to 2018 performance year	March 31, 2022	**-**	**-**	2,377	5,868
March 24, 2020	57,969 (2021 - 69,022) RSUs relating to 2019 performance year	March 29, 2023	**1,448**	**1,694**	1,724	3,185
March 29, 2021	61,733 (2021 - 76,351) RSUs relating to 2020 performance year	April 2, 2024	**1,822**	**1,523**	2,254	3,176
March 29, 2021	116,973 (2021 - 53,662) LTIRSUs	April 2, 2024	**4,832**	**1,507**	2,395	1,421
March 16, 2022	117,240 (2021 - nil) RSUs relating to 2021 performance year	April 2, 2025	**2,736**	**3,617**	-	-
Total			**$ 17,058**	**$ 12,789**	$ 14,739	$ 21,529

[1] Subject to an automatic one-year extension, unless prior notice is given by the Company.

[2] The fair values indicated are the amounts in excess of/(deficit from) the notional amounts for each equity derivative. Changes in fair value are recognized as gain (loss) on equity derivatives and included in employee compensation expenses in the consolidated statements of comprehensive income (loss).

The following interest rate swaps were outstanding in aggregate as at December 31, 2022 and 2021:

			December 31, 2022		December 31, 2021	
Effective Date	Fixed Interest Rate (per annum)	Contract Expiry	Notional Amount	Fair Value	Notional Amount	Fair Value
April 29, 2022	2.07%	April 13, 2027	**$ 93,311 [1]**	**$ 7,424**	$ -	$ -

[1] Notional amount equivalent to GBP57,000.

14. Investments

	December 31, 2022		December 31, 2021
Investments in equity instruments	$ 11,856	$	14,412
Investments in partnerships	7,457		6,394
Investments	**$ 19,313**	$	20,806

During the year ended December 31, 2022, the Company purchased $nil of preferred shares and $nil of common shares as equity instruments (2021 - $2,788 and $148, respectively) and contributed $910 towards capital in various partnerships (2021 - $1,221).

During the year ended December 31, 2022, fair value adjustments related to the Company's investments in partnerships and equity instruments of $(164) and $(1,118) have been recorded through profit (loss) and other comprehensive income (loss), respectively (2021 - $2,930 and $3,383, respectively).

During the year ended December 31, 2022, the Company disposed of an investment in equity instruments as the underlying investment was no longer aligned with the Company's long-term investment strategy. Investments disposed had a fair value of $2,224 (2021 - $nil) at the date of disposal, and the Company recognized a gain (loss) on disposal of $nil (2021 - $nil).

15. Investment in Joint Venture

The Company holds a 49.0% interest (that provides joint control through an equal 50% of the voting rights) in GeoVerra Inc. ("GeoVerra"), a joint venture offering a broad variety of geomatics services across Canada.

The activity in the Company's investment in GeoVerra during the year is as follows:

		Amount
Balance as at January 1, 2021	$	15,309
Share of profit (loss)		1,187
Balance as at December 31, 2021		16,496
Share of profit (loss)		3,013
Balance as at December 31, 2022	**$**	**19,509**

A summary of GeoVerra's financial information is as follows:

	December 31, 2022		December 31, 2021
Current assets, including cash and cash equivalents of $5,198 (2021 - $4,103)	**$ 44,575**	$	40,961
Non-current assets	**19,132**		21,770
Current liabilities, including financial liabilities of $4,115 (2021 - $9,759)	**(17,941)**		(20,470)
Non-current liabilities, including financial liabilities of $6,083 (2021 - $8,936)	**(6,083)**		(8,936)
Equity	**$ 39,683**	$	33,325
Company's share of equity - 49.0% (2021 - 49.5%)	**$ 19,445**	$	16,496

15. Investment in Joint Venture, cont'd

	December 31, 2022	December 31, 2021
Revenues	**$ 114,030**	$ 92,738
Expenses, including depreciation and amortization of $5,475 (2021 - $2,766); finance costs of $387 (2021 - $370); income tax expense of $1,836 (2021 - $316)	**107,883**	90,340
Profit (loss) and total comprehensive income (loss)	**$ 6,147**	$ 2,398

As at December 31, 2022, GeoVerra has commitments of $9,906 (December 31, 2021 - $14,515).

16. Leases

The following are continuities of the cost and accumulated depreciation of right-of-use assets for the years ended December 31, 2022 and 2021:

			Year ended December 31, 2022
			Right-of-Use Assets
	Property	Equipment	Total
Cost			
Balance, beginning of year	$ 88,738	$ 2,890	$ 91,628
Additions	1,337	794	2,131
Acquisition (Note 6)	399	-	399
Disposals	(4,907)	(172)	(5,079)
Exchange differences	1,800	59	1,859
Balance, end of year	87,367	3,571	90,938
Accumulated depreciation and impairment			
Balance, beginning of year	(28,999)	(2,637)	(31,636)
Depreciation charge	(11,713)	(255)	(11,968)
Impairment [(1)]	(8,920)	-	(8,920)
Disposals	1,272	118	1,390
Exchange differences	(884)	(47)	(931)
Balance, end of year	(49,244)	(2,821)	(52,065)
Net book value as at December 31, 2022	**$ 38,123**	**$ 750**	**$ 38,873**

(1) Included in restructuring costs (recovery) in the consolidated statements of comprehensive income (loss).

16. Leases, cont'd

	Year ended December 31, 2021		
	Right-of-Use Assets		
	Property	Equipment	Total
Cost			
Balance, beginning of year	$ 73,057	$ 2,708	$ 75,765
Additions	12,158	163	12,321
Acquisition (Note 6)	8,007	87	8,094
Disposals	(3,548)	(89)	(3,637)
Exchange differences	(936)	21	(915)
Balance, end of year	88,738	2,890	91,628
Accumulated depreciation			
Balance, beginning of year	(21,498)	(2,577)	(24,075)
Depreciation charge	(11,966)	(153)	(12,119)
Disposals	4,020	89	4,109
Exchange differences	445	4	449
Balance, end of year	(28,999)	(2,637)	(31,636)
Net book value as at December 31, 2021	$ 59,739	$ 253	$ 59,992

The following is a continuity of the movements of lease liabilities for the years ended December 31, 2022 and 2021:

	Lease Liabilities
As at January 1, 2021	$ 63,583
Additions	12,321
Acquisition (Note 6)	7,843
Interest expense	2,219
Payments	(14,289)
Exchange differences	(538)
As at December 31, 2021	71,139
Additions	2,131
Acquisition (Note 6)	399
Interest expense	1,913
Payments	(16,895)
Exchange differences	1,628
As at December 31, 2022	60,315
Less: non-current portion	(45,459)
Current portion as at December 31, 2022	**$ 14,856**

16. Leases, cont'd

For the year ended December 31, 2022, the Company recognized rent expense from short-term leases of $458 (2021 - $598), leases of low-value assets of $75 (2021 - $74) and variable lease payments of $5,813 in occupancy expense (2021 - $6,677). The weighted average incremental borrowing rate on lease liabilities as at December 31, 2022 is 2.91% (December 31, 2021 - 2.93%).

The Company's sub-leases of its right-of-use of office space are classified as finance leases. The right-of-use asset relating to the head lease with sub-lease is derecognized and the net investment of the sub-lease is recognized under "Trade receivables and other". As at December 31, 2022, the Company's net investment in sub-leases is $5,221 (December 31, 2021 - $71).

17. Property, Plant and Equipment

The following are continuities of the cost and accumulated depreciation of property, plant and equipment for the years ended December 31, 2022 and 2021:

								Year ended December 31, 2022
		Leasehold Improvements		Furniture, Fixtures and Equipment		Computer Equipment		Total
Cost								
Balance, beginning of year	$	22,902	$	13,828	$	19,011	$	55,741
Additions		2,574		430		2,990		5,994
Acquisitions (Note 6)		182		22		68		272
Disposals		(201)		(307)		(554)		(1,062)
Exchange differences		326		260		420		1,006
Balance, end of year		25,783		14,233		21,935		61,951
Accumulated depreciation								
Balance, beginning of year		(14,308)		(9,337)		(10,472)		(34,117)
Depreciation charge		(2,402)		(1,053)		(3,107)		(6,562)
Disposals		197		268		493		958
Exchange differences		(199)		(165)		(284)		(648)
Balance, end of year		(16,712)		(10,287)		(13,370)		(40,369)
Net book value as at December 31, 2022	**$**	**9,071**	**$**	**3,946**	**$**	**8,565**	**$**	**21,582**

17. Property, Plant and Equipment, cont'd

				Year ended December 31, 2021
	Leasehold Improvements	Furniture, Fixtures and Equipment	Computer Equipment	Total
Cost				
Balance, beginning of year	$ 22,835	$ 12,549	$ 14,241	$ 49,625
Additions	225	1,103	4,637	5,965
Acquisitions (Note 6)	365	253	444	1,062
Disposals	(209)	(117)	(276)	(602)
Exchange differences	(314)	40	(35)	(309)
Balance, end of year	22,902	13,828	19,011	55,741
Accumulated depreciation				
Balance, beginning of year	(12,228)	(8,658)	(8,363)	(29,249)
Depreciation charge	(2,410)	(816)	(2,220)	(5,446)
Disposals	131	84	157	372
Exchange differences	199	53	(46)	206
Balance, end of year	(14,308)	(9,337)	(10,472)	(34,117)
Net book value as at December 31, 2021	**$ 8,594**	**$ 4,491**	**$ 8,539**	**$ 21,624**

18. Intangibles

The following are continuities of the cost and accumulated amortization of intangible assets for the years ended December 31, 2022 and 2021:

											Year ended December 31, 2022
	Brands of Acquired Businesses	Computer Application Software	Custom Software Applications	Internally Generated Software	Data Agreements	Customer Backlog	Customer Lists	Databases	Non-compete Agreements	Indefinite-Life Brands	Total
Cost											
Balance, beginning of year	$ 22,725	$ 9,902	$ 31,886	$ 130,880	$ 26,703	$ 45,781	$ 286,196	$ 6,876	$ 43,947	$ 39,999	$ 644,895
Additions	-	18,670	32	300	-	-	-	45	-		19,047
Acquisition (Note 6)	1,300	-	-	14,700	-	-	3,600	-	-	-	19,600
Disposals	-	(1,039)	-	-	-	-	-	-	-	-	(1,039)
Exchange differences	(485)	127	1,592	4,407	1,774	(132)	7,446	-	386	1,483	16,598
Balance, end of year	23,540	27,660	33,510	150,287	28,477	45,649	297,242	6,921	44,333	41,482	699,101
Accumulated amortization and impairment											
Balance, beginning of year	(22,237)	(4,455)	(25,643)	(30,664)	(269)	(37,889)	(194,908)	(6,876)	(35,284)	-	(358,225)
Amortization charge	(494)	(2,394)	(873)	(13,217)	(2,308)	(4,803)	(12,227)	-	(4,679)		(40,995)
Disposals	-	318	-	-	-	-	-	-	-	-	318
Exchange differences	509	(62)	(1,212)	(682)	(112)	89	(5,696)	-	(227)	-	(7,393)
Balance, end of year	(22,222)	(6,593)	(27,728)	(44,563)	(2,689)	(42,603)	(212,831)	(6,876)	(40,190)		(406,295)
Net book value as at December 31, 2022	**$ 1,318**	**$ 21,067**	**$ 5,782**	**$ 105,724**	**$ 25,788**	**$ 3,046**	**$ 84,411**	**$ 45**	**$ 4,143**	**$ 41,482**	**$ 292,806**

18. Intangibles, cont'd

Year ended December 31, 2021

	Brands of Acquired Businesses	Computer Application Software	Custom Software Applications	Internally Generated Software	Data Agreements	Customer Backlog	Customer Lists	Databases	Non-compete Agreements	Indefinite-Life Brands	Total
Cost											
Balance, beginning of year	$ 22,470	$ 5,365	$ 25,157	$ 35,496	$ -	$ 45,771	$ 203,309	$ 6,903	$ 38,024	$ 27,539	$ 410,034
Additions	-	4,664	-	-	-	-	-	-	-	-	4,664
Acquisition (Note 6)	460	-	6,591	96,301	26,174	373	85,140	-	6,085	12,846	233,970
Disposals	-	(111)	-	-	-	-	-	(27)	-	-	(138)
Exchange differences	(205)	(16)	138	(917)	529	(363)	(2,253)	-	(162)	(386)	(3,635)
Balance, end of year	22,725	9,902	31,886	130,880	26,703	45,781	286,196	6,876	43,947	39,999	644,895
Accumulated amortization and impairment											
Balance, beginning of year	(22,246)	(4,047)	(25,156)	(25,365)	-	(32,516)	(184,401)	(6,903)	(31,472)	-	(332,106)
Amortization charge	(194)	(516)	(561)	(6,254)	(269)	(5,623)	(11,577)	-	(4,023)	-	(29,017)
Disposals	-	102	-	-	-	-	-	27	-	-	129
Exchange differences	203	6	74	955	-	250	1,070	-	211	-	2,769
Balance, end of year	(22,237)	(4,455)	(25,643)	(30,664)	(269)	(37,889)	(194,908)	(6,876)	(35,284)	-	(358,225)
Net book value as at December 31, 2021	$ 488	$ 5,447	$ 6,243	$ 100,216	$ 26,434	$ 7,892	$ 91,288	$ -	$ 8,663	$ 39,999	$ 286,670

Indefinite-life intangibles, consisting of the Altus Group, ARGUS and Finance Active brands, have been assessed for impairment along with goodwill as outlined in Note 19. These assets are considered to have indefinite lives as management believes that there is an indefinite period over which the assets are expected to generate net cash flows.

The finite-life intangibles will be amortized over the remaining useful life as follows:

	December 31, 2022
	Average Remaining Useful Life
Brands of acquired businesses	22 months - 28 months
Custom software applications	76 months
Internally generated software	30 months - 112 months
Customer backlog	4 months - 23 months
Customer lists	1 month - 112 months
Data agreements	130 months
Non-compete agreements	6 months - 44 months

19. Goodwill

The following are continuities of the cost and accumulated impairment losses of goodwill for the years ended December 31, 2022 and 2021:

	Year ended December 31, 2022	Year ended December 31, 2021
Cost		
Balance, beginning of year	**$ 515,954**	$ 310,215
Acquisitions (Note 6)	**17,149**	208,049
Exchange differences	**15,298**	(2,310)
Balance, end of year	**548,401**	515,954
Accumulated impairment losses		
Balance, beginning of year	**(48,644)**	(49,145)
Exchange differences	**(2,175)**	501
Balance, end of year	**(50,819)**	(48,644)
Net book value as at December 31, 2022	**$ 497,582**	$ 467,310

The carrying value of the Altus Group brand, an indefinite-life intangible asset, was tested for impairment at the Company level and no impairment was necessary. The carrying values of goodwill and the ARGUS brand and Finance Active brand, indefinite-life intangible assets, were allocated to the Company's CGUs, or groups of CGUs, as follows:

	December 31, 2022		December 31, 2021	
	Goodwill	ARGUS Brand and Finance Active Brand	Goodwill	ARGUS Brand and Finance Active Brand
Analytics	**$ 336,214**	**$ 35,217**	$ 303,935	$ 33,734
North America Property Tax	**68,557**	**-**	50,362	-
U.K. Property Tax	**46,244**	**-**	48,437	-
North America Development Advisory	**28,411**	**-**	28,411	-
Appraisals	**18,009**	**-**	36,019	-
Asia Pacific Development Advisory	**147**	**-**	146	-
Total	**$ 497,582**	**$ 35,217**	$ 467,310	$ 33,734

19. Goodwill, cont'd

The recoverable amounts of the CGUs, or groups of CGUs, were determined using a discounted cash flow analysis to estimate fair value less costs to sell (Level 3). This analysis incorporated assumptions used by market participants. The key assumptions used were as follows:

	December 31, 2022		December 31, 2021	
	Perpetual Growth Rate	Discount Rate (after-tax)	Perpetual Growth Rate	Discount Rate (after-tax)
Analytics	**3.0%**	**14.5%**	3.0%	14.5%
North America Property Tax	**3.0%**	**12.9%**	3.0%	12.5%
U.K. Property Tax	**3.0%**	**13.5%**	5.0%	14.5%
North America Development Advisory	**3.0%**	**14.1%**	3.0%	13.1%
Appraisals	**3.0%**	**14.5%**	3.0%	12.4%
Asia Pacific Development Advisory	**3.0%**	**15.3%**	3.0%	23.0%

The discounted cash flow analysis uses after-tax cash flow projections based on five-year financial budgets. Cash flows beyond the five-year period were extrapolated using the estimated perpetual growth rates stated above. The growth rates do not exceed the long-term average growth rate for the business in which the CGU, or group of CGUs, operates. Management's margin assumptions were based on historical performance and future expectations. The discount rates used are on an after-tax basis and reflect risks related to the respective CGU, or group of CGUs.

Impairment

Management performed its annual impairment analysis as at October 1, 2022 and determined that the indefinite-life intangibles and goodwill were not impaired.

20. Trade Payables and Other

	December 31, 2022	December 31, 2021
Trade payables	**$ 7,348**	$ 10,625
Accrued expenses	**117,563**	119,213
Contract liabilities: deferred revenue	**90,565**	73,255
Deferred consideration payables	**3,284**	6,668
Contingent consideration payables	**3,189**	179
Dividends payable (Note 26)	**6,816**	6,724
Provisions	**21,441**	1,551
Due to related party (GeoVerra)	**-**	86
Total trade payables and other	**250,206**	218,301
Less non-current portion:		
Accrued expenses	**20,609**	20,778
Contract liabilities: deferred revenue	**495**	208
Deferred consideration payables	**1,543**	3,462
Contingent consideration payables	**189**	179
Provisions	**4,429**	286
Trade payables and other - non-current	**27,265**	24,913
Trade payables and other - current	**$ 222,941**	$ 193,388

Contract Liabilities: Deferred Revenue

	Year ended December 31, 2022	Year ended December 31, 2021
Balance - beginning of year	**$ 73,255**	$ 43,032
Revenue deferred in previous years and recognized as revenue in current year	**(60,217)**	(40,453)
Net additions from acquisitions	**1,516**	20,441
Net additions from contracts with customers	**73,081**	51,367
Exchange differences	**2,930**	(1,132)
Balance - end of year	**$ 90,565**	$ 73,255

Revenue recognized from performance obligations partially satisfied in previous years was $32,954 (2021 - $23,847).

20. Trade Payables and Other, cont'd

Provisions

		Restructuring		Other		Total
Balance as at January 1, 2021	$	5,800	$	218	$	6,018
Charged to profit or loss:						
Additional provisions, net of releases		15		(25)		(10)
Unwinding of discount (Note 9)		-		5		5
Used during the year		(4,451)		(4)		(4,455)
Exchange differences		7		(14)		(7)
Balance as at December 31, 2021		1,371		180		1,551
Charged to profit or loss:						
Additional provisions, net of releases		31,990		17		32,007
Unwinding of discount (Note 9)		-		9		9
Used during the year		(12,151)		-		(12,151)
Exchange differences		25		-		25
Balance as at December 31, 2022		21,235		206		21,441
Less: non-current portion		(4,223)		(206)		(4,429)
Provisions - current	**$**	**17,012**	**$**	**-**	**$**	**17,012**

In 2022, the Company initiated a global restructuring program that resulted in restructuring costs of $38,896 for the year ended December 31, 2022, of which $6,906 related to the net impairment of right-of-use assets and gain (loss) on sub-leases, and the remainder primarily related to employee severance costs.

21. Borrowings

		December 31, 2022		December 31, 2021
Bank credit facilities	**$**	**319,584**	$	287,594
Less: deferred financing fees		**(1,756)**		(670)
Net borrowings	**$**	**317,828**	$	286,924

Amendments to Bank Credit Facilities

On June 28, 2022, the Company amended its bank credit facilities to further strengthen its liquidity position by increasing the Company's borrowing capacity to $550,000 from $400,000 with certain provisions that allow the Company to further increase the limit to $650,000. The amended bank credit facilities also include an increase to the maximum Funded debt to EBITDA financial covenant ratio from 4.0 to 4.5 with provisions that allow for a short-term increase up to 5.0 following certain business acquisitions, and are secured on certain assets of the Company. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at the Company's option.

21. Borrowings, cont'd

Loans bear interest at a floating rate, based on the Canadian prime rates, Canadian bankers' acceptance rates, U.S. base rates, SONIA, SOFR or €STR rates plus, in each case, an applicable margin to those rates. The applicable margin for Canadian bankers' acceptance, SONIA, SOFR and €STR borrowings depends on a trailing four-quarter calculation of the Funded debt to EBITDA ratio. The weighted average effective interest rate for the bank credit facilities for the year ended December 31, 2022 was 3.66% (2021 - 1.58%).

As at December 31, 2022, the Company was in compliance with the financial covenants of the amended bank credit facilities, which are summarized below:

	December 31, 2022
Funded debt to EBITDA (maximum of 4.50:1)	**2.13:1**
Interest coverage (minimum of 3.00:1)	**11.56:1**

In addition, the Company and certain of its subsidiaries, collectively the guarantors, must account for at least 80% of consolidated revenues on a trailing 12-month basis. The bank credit facilities require repayment of the principal at such time as the Company receives proceeds of insurance, equity or debt issuances, or sale of assets in excess of certain thresholds, unless otherwise exempted. Letters of credit are also available on customary terms for bank credit facilities of this nature.

Contractual Payments Schedule

Contractual principal repayments on borrowings are as follows:

	December 31, 2022	December 31, 2021
1 to 3 years	**$ -**	$ 287,594
4 to 5 years	**319,584**	-
	$ 319,584	$ 287,594

21. Borrowings, cont'd

Reconciliation of Liabilities arising from Financing Activities, other than Leases

	Bank Credit Facilities	Deferred Financing Fees	Total
Balance as at January 1, 2021	$ 123,000	$ (568)	$ 122,432
Net cash flows	162,205	(414)	161,791
Non-cash movements:			
Amortization	-	312	312
Exchange differences	2,389	-	2,389
Balance as at December 31, 2021	287,594	(670)	286,924
Net cash flows	27,364	(1,898)	25,466
Non-cash movements:			
Amortization	-	812	812
Exchange differences	4,626	-	4,626
Balance as at December 31, 2022	**$ 319,584**	**$ (1,756)**	**$ 317,828**

22. Non-controlling Interest

On May 3, 2022, the Company purchased the remaining 30% minority interest in Verifino GmbH & Co. KG and settled the non-controlling interest liability for $2,802 in cash. Prior to the transaction, a fair value loss of $258 was recorded through other equity. Upon settlement, the cumulative changes in the fair value of the non-controlling interest liability in other equity and the carrying amount of the non-controlling interest's share of equity were transferred to retained earnings (deficit).

23. 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 and rank equally with regard to the Company's residual assets. Holders of these shares are entitled to participate equally in dividends. 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 bought deal financing	2,783,000	164,771
Issued on exercise of options	480,296	16,296
Issued under the Dividend Reinvestment Plan	59,423	3,294
Issued for share-based compensation	506,716	26,971
Treasury shares reserved for share-based compensation	(458,613)	(30,786)
Shares issued on acquisition	172,115	8,362
Release of treasury shares	147,049	7,551
Balance as at December 31, 2021	44,119,103	726,325
Issued on exercise of options (Note 24)	262,945	9,582
Issued under the Dividend Reinvestment Plan	46,638	2,357
Issued for share-based compensation (Note 24)	492,883	11,364
Treasury shares reserved for share-based compensation (Note 24)	(241,725)	(12,859)
Release of treasury shares (Note 24)	378,670	21,068
Cancellation of shares	(188,838)	(10,169)
Balance as at December 31, 2022	**44,869,676**	**$ 747,668**

As at December 31, 2022, the 44,869,676 common shares (December 31, 2021 - 40,429,117) are net of 570,203 treasury shares (December 31, 2021 - 395,584) with a carrying value of $34,564 (December 31, 2021 - $19,538) that are held in escrow until vesting conditions are met (Note 24).

On February 3, 2022, the Company announced that the TSX had approved the Company's notice of intention to enter into a Normal Course Issuer Bid ("NCIB"), which allows the Company to purchase up to 1,345,142 common shares for cancellation during the period from February 8, 2022 to February 7, 2023, subject to certain daily limitations.

On June 29, 2022, the Company entered into an automatic share purchase plan ("ASPP") with a designated broker for the purpose of permitting the Company to purchase its common shares under the NCIB announced on February 3, 2022, during self-imposed blackout periods. The volume of purchases is determined by the broker in its sole discretion based on maximum purchase price and volume parameters established by the Company under the ASPP. All purchases made under the ASPP will be included in computing the number of common shares purchased under the NCIB.

23. Share Capital, cont'd

During the year ended December 31, 2022, the Company repurchased 155,400 (2021 - nil) common shares for total consideration of $7,544 for cancellation under the NCIB. As at December 31, 2022, there is no obligation to purchase common shares under the ASPP.

The Company has a Dividend Reinvestment Plan ("DRIP") for shareholders of the Company who are resident in Canada. Under the DRIP, participants may elect to automatically reinvest quarterly dividends into additional common shares of the Company.

Pursuant to the DRIP, and in the case where common shares are issued from treasury, cash dividends are reinvested into additional shares of the Company at the weighted average market price of common shares for the five trading days immediately preceding the relevant dividend payment date, less a discount of 4%. In the case where common shares are purchased on the open market, cash dividends are reinvested into additional shares of the Company at the relevant average market price paid in respect of satisfying this reinvestment plan.

24. Share-based Compensation

The Company's share-based compensation expense, which includes the Executive Compensation Plan (Share Option Plan and Equity Compensation Plan), Long-Term Equity Incentive Plan, Deferred Compensation Plans (RS Plan and RSU Plan), DSU Plans and other share-based awards, was $31,702 (2021 - $38,570). 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	226,891	$58.95
Exercised	(480,296)	$28.78
Expired/Forfeited	(68,396)	$41.02
Balance as at December 31, 2021	1,469,881	$41.39
Granted	1,253,137	$47.91
Exercised	(262,945)	$31.04
Expired/Forfeited	(130,011)	$52.95
Balance as at December 31, 2022	**2,330,062**	**$45.42**

24. Share-based Compensation, cont'd

Information about the Company's share options outstanding and exercisable as at December 31, 2022 is as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Exercisable
$25.56 - $29.72	199,616	0.94 years	136,906
$30.70 - $37.93	198,620	1.00 years	152,448
$43.38 - $52.84	1,638,366	3.71 years	221,051
$53.95 - $65.67	293,460	3.76 years	50,919
$45.42	**2,330,062**	**3.25 years**	**561,324**

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:

	2022	2021
Risk-free interest rate	1.58% - 3.36%	0.77% - 0.78%
Expected dividend yield	1.1% - 1.4%	0.9% - 1.1%
Expected volatility	29.38% - 33.96%	30.11% - 32.92%
Expected option life	3.00 - 4.50 years	3.00 - 4.50 years
Exercise price	$43.38 - $54.29	$56.49 - $65.67
Weighted average grant-date fair value per option	$8.61 - $15.43	$11.39 - $15.38

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

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	(61,946)
Forfeited	(2,520)
Balance as at December 31, 2021	51,843
Settled	(48,394)
Forfeited	(358)
Balance as at December 31, 2022	**3,091**

24. Share-based Compensation, cont'd

The Company settled vested PSUs under the Long-Term Equity Incentive Plan through the issuance of common shares:

	Number of common shares
Settled in March 2021	111,845
Settled in March 2022	310,991

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

	Number of PSUs
Granted in 2021	101,709
Granted in 2022	233,898

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

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

	Number of LTIRSs
Balance as at January 1, 2021 (all unvested)	-
Granted	20,590
Settled	(263)
Balance as at December 31, 2021 (all unvested)	20,327
Granted	9,697
Settled	(2,684)
Forfeited	(558)
Balance as at December 31, 2022 (all unvested)	**26,782**

In 2022, the Company granted a total value of $778 under the LTIRS Plan and purchased 9,697 common shares in the open market.

24. Share-based Compensation, cont'd

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

	Number of LTIRSUs
Balance as at January 1, 2021 (all unvested)	-
Granted	56,864
Settled	(1,080)
Forfeited	(2,632)
Balance as at December 31, 2021 (all unvested)	53,152
Granted	83,592
Settled	(4,771)
Forfeited	(5,127)
Balance as at December 31, 2022 (all unvested)	**126,846**

(iii) Deferred Compensation Plans

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

	Number of RSs
Balance as at January 1, 2021 (all unvested)	194,654
Granted	43,152
Settled	(54,492)
Forfeited	(3,334)
Balance as at December 31, 2021 (all unvested)	179,980
Granted	50,136
Settled	(116,968)
Forfeited	(2,267)
Balance as at December 31, 2022 (all unvested)	**110,881**

In connection with the 2021 performance year, the Company granted a total value of $3,981 under the RS Plan. In March 2022, the Company purchased 50,136 common shares in the open market.

24. Share-based Compensation, cont'd

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.

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

	Number of RSUs
Balance as at January 1, 2021 (all unvested)	302,325
Granted	81,060
Settled	(93,614)
Forfeited	(30,080)
Balance as at December 31, 2021 (all unvested)	259,691
Granted	129,270
Settled	(140,020)
Forfeited	(11,999)
Balance as at December 31, 2022 (all unvested)	**236,942**

(iv) Deferred Share Unit Plans

The following is a summary of the Company's DSU Plans activity:

	Number of DSUs
Balance as at January 1, 2021	173,836
Granted	21,165
Balance as at December 31, 2021	195,001
Granted	27,562
Forfeited	(25,703)
Balance as at December 31, 2022	**196,860**

24. Share-based Compensation, cont'd

(v) Other Share-Based Awards

The following is a summary of the activity related to common shares held in escrow and subject to continued employment related to the Company's acquisition of Property Tax Assistance Company Inc., Finance Active, StratoDem Analytics, ArGil, Reonomy, and Rethink Solutions:

	Number of common shares
Balance as at January 1, 2021	84,341
Granted	394,871
Settled	(21,086)
Forfeited	(3,129)
Balance as at December 31, 2021	454,997
Granted	181,892
Settled	(174,003)
Forfeited	(33,438)
Balance as at December 31, 2022	**429,448**

(vi) Compensation Expense by Plan

	Year ended December 31, 2022	Year ended December 31, 2021
Equity Compensation Plan	**$ 85**	$ 606
Long-Term Equity Incentive Plan	**12,132**	7,015
LTIRS Plan	**913**	576
LTIRSU Plan [1]	**1,668**	849
RS Plan	**3,923**	3,907
RSU Plan [2]	**1,999**	8,667
DSU Plans [3]	**(1,345)**	5,116
Other share-based awards	**12,327**	11,834

(1) For the years ended December 31, 2022 and 2021, the Company recorded mark-to-market adjustments of $(253) and $132, respectively.

(2) For the years ended December 31, 2022 and 2021, the Company recorded mark-to-market adjustments of $(3,226) and $5,162, respectively.

(3) For the years ended December 31, 2022 and 2021, the Company recorded mark-to-market adjustments of $(2,736) and $3,446, respectively.

24. Share-based Compensation, cont'd

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

	December 31, 2022	December 31, 2021
LTIRSU Plan	**$ 2,290**	$ 781
RSU Plan	**10,021**	14,729
DSU Plans	**10,534**	12,638

[1] The carrying value of the liability related to these plans is recorded in accrued expenses within trade payables and other.

25. Earnings (Loss) per Share

Basic earnings (loss) per share is calculated by dividing profit (loss) by the weighted average number of common shares outstanding during the year.

The dilutive effect of share options, equity awards, PSUs and restricted shares is determined using the treasury stock method. For the purposes of the weighted average number of common shares outstanding, common shares are determined to be outstanding from the date they are issued.

For the year ended December 31, 2022, 2,330,062 share options, 566,909 RSs (including common shares issued in escrow as part of the LTIRS Plan) and 559,880 PSUs were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

For the year ended December 31, 2021, 218,350 share options and 20,498 RSs (including common shares issued in escrow as part of the LTIRS 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:

	Year ended December 31, 2022	Year ended December 31, 2021
Profit (loss) for the year attributable to Shareholders of the Company - basic and diluted	**$ (886)**	$ 25,688
Weighted average number of common shares outstanding - basic	**44,635,448**	41,684,077
Dilutive effect of share options	**-**	429,048
Dilutive effect of equity awards and PSUs	**-**	421,555
Dilutive effect of RSs	**-**	364,436
Weighted average number of common shares outstanding - diluted	**44,635,448**	42,899,116
Earnings (loss) per share:		
Basic	**$(0.02)**	$0.62
Diluted	**$(0.02)**	$0.60

26. Dividends Payable

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

A reconciliation of dividends payable is as follows:

		Dividends Payable
Balance as at January 1, 2021	$	6,124
Dividends paid		(21,564)
Non-cash movements:		
DRIP (Note 23)		(3,294)
Dividends declared		25,458
Balance as at December 31, 2021		6,724
Dividends paid		(24,699)
Non-cash movements:		
DRIP (Note 23)		(2,357)
Dividends declared		27,148
Balance as at December 31, 2022	**$**	**6,816**

27. 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 Plan payables, contingent consideration payables, and deferred consideration payables), contingent consideration payables, deferred consideration payables, and borrowings.

Financial Instruments by Category

The Company classifies its financial assets as FVPL, FVOCI, or amortized cost. The tables below indicate the carrying values of financial assets and liabilities for each of the following categories:

	December 31, 2022			December 31, 2021		
	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Assets as per Consolidated Balance Sheets:						
Cash and cash equivalents	**$ -**	**$ -**	**$ 55,267**	$ -	$ -	$ 51,271
Trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments)	**-**	**-**	**234,112**	-	-	203,288
Investments in equity instruments	**-**	**11,856**	**-**	-	14,412	-
Investments in partnerships	**7,457**	**-**	**-**	6,394	-	-
Derivative financial instruments	**20,213**	**-**	**-**	21,529	-	-
Total	**$ 27,670**	**$ 11,856**	**$ 289,379**	$ 27,923	$ 14,412	$ 254,559

	December 31, 2022		December 31, 2021	
	FVPL	Amortized Cost	FVPL	Amortized Cost
Liabilities as per Consolidated Balance Sheets:				
Trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables, deferred consideration payables, and contingent consideration payables)	**$ -**	**$ 130,323**	$ -	$ 110,051
Lease liabilities	**-**	**60,315**	-	71,139
Deferred consideration payables	**3,284**	**-**	6,668	-
Contingent consideration payables	**3,189**	**-**	179	-
Borrowings	**-**	**317,828**	-	286,924
Total	**$ 6,473**	**$ 508,466**	$ 6,847	$ 468,114

27. Financial Instruments and Fair Values, cont'd

Fair Values

The tables below present financial instruments that are measured at fair value. The different levels in the hierarchy have been defined as follows:

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

The fair value of financial instruments traded in active markets is based on quoted market prices at each balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3.

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

				December 31, 2022
	Level 1	Level 2	Level 3	**Total**
Assets:				
Investments in equity instruments	$ 2,708	$ -	$ 9,148	**$ 11,856**
Investments in partnerships			7,457	**7,457**
Derivative financial instruments	-	20,213	-	**20,213**
Liabilities:				
Borrowings	-	319,584	-	**319,584**
Deferred consideration payables	-	-	3,284	**3,284**
Contingent consideration payables	-	-	3,189	**3,189**

27. Financial Instruments and Fair Values, cont'd

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in equity instruments	$ 4,303	$ -	$ 10,109	$ 14,412
Investments in partnerships	-	-	6,394	6,394
Derivative financial instruments	-	21,529	-	21,529
Liabilities:				
Borrowings	-	287,594	-	287,594
Deferred consideration payables	-	6,668	-	6,668
Contingent consideration payables	-	-	179	179

On April 29, 2022, the Company entered into interest rate swap agreements for a total notional amount of GBP57,000. The Company is obligated to pay the counterparty to the swap agreements an amount based upon a fixed interest rate of 2.07% per annum, and the counterparty is obligated to pay the Company an amount equal to the GBP - SONIA. These agreements expire on April 13, 2027. These interest rate swaps are not designated as cash flow hedges.

Cash and cash equivalents, trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments) due within one year, and trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables, deferred consideration 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.

Derivative financial instruments are recorded in Level 2. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of equity derivatives is calculated based on the movement in the Company's common share price between the initial common share price on the effective date and the reporting date, which are observable inputs. The fair value of currency forward contracts is calculated based on the spread between the currency forward rate and the rate on the reporting date, which are observable inputs, and applied to the notional amount.

The fair value of the bank credit facilities approximates its carrying value, as the instruments bear interest at rates comparable to current market rates. The fair value of deferred consideration payables approximates its carrying value, as the valuation techniques and discount rates applied are comparable to those based on observable market data, where available.

27. Financial Instruments and Fair Values, cont'd

The investments in equity instruments, investments in partnerships and contingent consideration payables are recorded in Level 3 as the amounts are not based on observable inputs, with the exception of instruments with quoted sales or market prices. Contingent consideration payables are measured using a discounted cash flow analysis of expected cash flows in future periods. The investments in equity instruments are measured based on valuations of the entity. Investments in partnerships are measured in relation to the fair value of assets reported in the respective partnerships.

The following table summarizes the movement in the Company's contingent consideration payables:

	Contingent Consideration Payables (Discounted)	
Balance as at January 1, 2021	$	47
Contingent arrangements entered into during the year		173
Unwinding of discount		6
Settlements		(47)
Balance as at December 31, 2021		179
Contingent arrangements entered into during the year		3,000
Unwinding of discount (Note 9)		10
Balance as at December 31, 2022	**$**	**3,189**

A 1% increase or decrease in the discount rate could decrease or increase the Company's determination of fair value by approximately $nil as at December 31, 2022 (December 31, 2021 - $5).

The estimated contractual amount of contingent consideration payables as at December 31, 2022 was $3,200 (December 31, 2021 - $200), net of a discount of $11 (December 31, 2021 - $21).

Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

The Company does not enter into derivative financial instruments for speculative purposes.

27. Financial Instruments and Fair Values, cont'd

(a) Market Risk

Interest rate risk

The Company is exposed to interest rate risk in the event of fluctuations in the Canadian prime rates, Canadian bankers' acceptance rates, U.S. base rates, SONIA, SOFR, or STR rates as the interest rates on the revolving term facility fluctuate with changes in these rates.

The Company monitors its interest rate exposure and its hedging strategy on an ongoing basis.

Fluctuations in interest rates will impact profit or loss. For the year ended December 31, 2022, every 1% increase or decrease in the revolving term facility interest rate results in a corresponding $712 increase or decrease in the Company's profit (loss) (2021 - $2,290).

Currency risk

The Company has operations in Canada, the U.S., EMEA and Asia Pacific and, therefore, has exposure to currency risk. There is exposure to foreign exchange fluctuations on transactions between the Company's entities and upon the consolidation of the Company's foreign subsidiaries. Assets and liabilities of foreign subsidiaries are translated at the period-end exchange rate and, therefore, have varying values from exchange rate fluctuations.

The statements of comprehensive income (loss) of the foreign subsidiaries are translated into Canadian dollars using the period's average exchange rate and, accordingly, exchange rate fluctuations impact the Company's revenues and profit (loss), denominated in Canadian dollars.

In order to limit some of its foreign exchange exposure, the Company periodically enters into currency forward contracts.

The Company monitors its foreign exchange exposure and its hedging strategy on an ongoing basis.

The following table summarizes the effect of a 10% strengthening of the Canadian dollar on the Company's profit (loss) as a result of translating the statements of comprehensive income (loss) of foreign subsidiaries, assuming all other variables remain unchanged:

	Year ended December 31, 2022	Year ended December 31, 2021
U.S.	**$ 766**	$ (351)
EMEA	**(606)**	(1,822)
Asia Pacific	**(389)**	123

27. Financial Instruments and Fair Values, cont'd

A 10% weakening of the Canadian dollar would have an equal but opposite effect, assuming all other variables remain unchanged.

Price risk

The Company is exposed to price risk because the liabilities for cash-settled RSU and DSU plans are classified as FVPL, and linked to the price of the Company's common shares. If the market price of the Company's common shares increases by 5% with all other variables held constant, the impact on profit (loss) would be a decrease of $1,129 (2021 - $1,407). A 5% decrease in the market price of the Company's common shares would have an equal but opposite effect on profit (loss), assuming all other variables remain unchanged.

In order to limit price risk exposure, the Company entered into equity derivatives. Changes in the fair value of these equity derivatives offset the impact of mark-to-market adjustments that are accrued. The notional amount outstanding on these equity derivatives as at December 31, 2022 was $17,058 (December 31, 2021 - $14,739) (Note 13).

(b) Credit Risk

The Company is exposed to credit risk with respect to its cash and cash equivalents, trade receivables and other and derivative financial instruments. Credit risk is not concentrated with any particular customer. In certain parts of the Company's business, it is often common business practice to pay invoices over an extended period of time and/or at the completion of the project or on receipt of funds. The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets for unbilled revenue on customer contracts. To measure the expected credit losses, trade receivables and contract assets for unbilled revenue on customer contracts have been grouped based on shared credit risk characteristics and the days past due, and incorporate forward-looking information. The loss allowance provision as at December 31, 2022 is determined as follows:

								December 31, 2022
		0 to 120 days past due		121 to 365 days past due		More than 365 days past due		**Total**
Expected loss rate		1.61%		31.99%		97.64%		**8.22%**
Gross carrying amount	$	213,582	$	22,164	$	9,906	**$**	**245,652**
Loss allowance provision	$	(3,428)	$	(7,091)	$	(9,672)	**$**	**(20,191)**

27. Financial Instruments and Fair Values, cont'd

Changes in the gross carrying amount of trade receivables and contract assets for unbilled revenue on customer contracts contributed to the changes in the loss allowance provision. The gross carrying amount was impacted by revenue recognized and amounts invoiced, offset by cash collections and amounts written off as not recoverable or uncollectible. Expected loss rates are determined on a portfolio basis. The expected loss rate for the Company will differ based on the contribution of balances by portfolio and age of those balances. For the year ended December 31, 2022, no significant changes were made to the expected loss rates on a portfolio basis.

The loss allowance provision for trade receivables and contract assets for unbilled revenue on customer contracts as at December 31, 2022 reconciles to the opening loss allowance provision as follows:

		December 31, 2022
As at January 1, 2021	$	17,539
Net charges during the year		10,090
Amounts written off during the year as not recoverable or uncollectible		(6,787)
Exchange differences		(142)
As at December 31, 2021		20,700
Net charges during the year		7,872
Amounts written off during the year as not recoverable or uncollectible		(8,130)
Exchange differences		(251)
As at December 31, 2022	**$**	**20,191**

The movement of the loss allowance provision has been included in office and other operating expenses in the consolidated statements of comprehensive income (loss). In the event that the collectability of future trade receivables is in question, an adjustment is made to the corresponding contract assets for unbilled revenue on customer contracts. In addition, contract assets for unbilled revenue on customer contracts are assessed for impairment under IFRS 9. Amounts charged to the provision are generally written off when there are no expectations of recovering additional cash. The Company's maximum exposure to credit risk at the reporting date, assuming no mitigating factors, is the carrying value of its cash and cash equivalents, trade receivables and other and derivative financial instruments. The Company does not hold any collateral as security.

27. Financial Instruments and Fair Values, cont'd

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows, taking into account the seasonality of the Company's revenues and cash receipts, and the maturity profile of its financial assets and liabilities. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions outside the ordinary course of business, including proposals on mergers, acquisitions or other major investments.

Management believes that funds generated by operating activities and available through its amended bank credit facilities will allow the Company to satisfy its requirements for the purposes of working capital, investments and debt repayments.

The table below summarizes the contractual undiscounted cash flows related to the Company's financial liabilities into relevant maturity groupings based on the remaining period as at the consolidated balance sheet date to the contractual maturity date.

							December 31, 2022
	Carrying amount	Contractual cash flows	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	**Total**
Trade payables and other (excluding contract liabilities, RSU Plan, LTIRSU Plan and DSU Plans payables, deferred consideration payables, and contingent consideration payables)	$ 130,323	$ 130,323	$ 125,894	$ 4,429	$ -	$ -	$ 130,323
RSU Plan, LTIRSU Plan and DSU Plans payables	22,845	22,845	2,923	7,587	1,801	10,534	22,845
Deferred consideration payables	3,284	3,482	1,741	1,741	-	-	3,482
Contingent consideration payables	3,189	3,200	3,000	200	-	-	3,200
Borrowings	317,828	319,584	-	-	319,584	-	319,584
Lease liabilities	60,315	65,083	16,455	24,827	14,255	9,546	65,083
Total	**$ 537,784**	**$ 544,517**	**$ 150,013**	**$ 38,784**	**$ 335,640**	**$ 20,080**	**$ 544,517**

28. Capital Management

The Company's objective in managing capital is to ensure that adequate resources are available to fund organic growth and to enable it to undertake strategic acquisitions while continuing as a going concern. The Company's capital is composed of borrowings and shareholders' equity.

Operating cash flows are used to provide sustainable cash dividends to shareholders and fund capital expenditures in support of organic growth. In addition, operating cash flows, supplemented throughout the year with the revolving term facility, are used to fund working capital requirements.

The revolving term facility and equity are used to finance strategic acquisitions. Additionally, vendors of acquired businesses typically receive a portion of the consideration in the form of the Company's common shares.

The Company's capitalization is summarized in the following chart:

		December 31, 2022		December 31, 2021
Borrowings (Note 21)	**$**	**317,828**	$	286,924
Less: cash on hand (Note 11)		**(54,771)**		(49,536)
Net debt		**263,057**		237,388
Shareholders' equity		**599,870**		589,363
Capitalization	**$**	**862,927**	$	826,751

The Company monitors certain financial covenants on a trailing 12-month basis in line with its amended bank credit facilities (Note 21).

As at December 31, 2022, the Company is in compliance with the financial covenants of its bank credit facilities.

29. Commitments and Contingencies

The Company has the following commitments relating to future minimum payments for contractual obligations that are not recognized as liabilities as at December 31, 2022:

		December 31, 2022		December 31, 2021
No later than 1 year	**$**	**18,690**	$	10,694
Later than 1 year and no later than 5 years		**40,136**		21,477
Later than 5 years		**12,410**		7,166
Total	**$**	**71,236**	$	39,337

29. Commitments and Contingencies, cont'd

As at December 31, 2022, the Company provided letters of credit of approximately $1,499 to its lessors (December 31, 2021 - $1,485).

As at December 31, 2022, the Company has guaranteed up to $nil in connection with vehicle leases and related services entered into by GeoVerra (December 31, 2021 - $1,500).

As at December 31, 2022, the Company has committed to aggregate capital contributions of $3,874 (Note 14) to certain partnerships (December 31, 2021 - $4,847).

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 consolidated 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.

30. Related Party Transactions

Key Management Compensation

Key management includes the Board of Directors and our most senior officers, who are primarily responsible for planning, directing, and controlling business activities. The compensation paid or payable to key management for services is shown below:

	Year ended December 31, 2022	Year ended December 31, 2021
Salaries and other short-term benefits	**$ 10,546**	$ 10,674
Termination benefits	**2,737**	1,121
Share-based payments [(1)]	**3,916**	9,245
Key management compensation	**$ 17,199**	$ 21,040

(1) Includes mark-to-market adjustments on share-based payments.

30. Related Party Transactions, cont'd

GeoVerra Joint Venture

The Company incurs costs associated to a shared office space that is sub-leased from GeoVerra, its joint venture (Note 15). During the year ended December 31, 2022, the Company recorded a cost of $54 (2021 - $13) relating to this. As at December 31, 2022, the Company had $nil (December 31, 2021 - $3,074) receivable from the joint venture included in trade receivables and other, and $nil (December 31, 2021 - $86) payable to the joint venture included in trade payables and other. All related party transactions with GeoVerra were in the normal course of business and measured at the exchange amount.

Controlled Entities

Altus Group Limited is the ultimate parent company. In certain circumstances, the Company has control over entities in which it does not own more than 50% voting interest. In making this determination, the Company considers all relevant facts and circumstances in assessing whether it has power over the entity including rights arising from contractual arrangements that allow the Company to direct the relevant activities and be exposed to variable returns of the entity, among other considerations. The consolidated financial statements consolidate the Company and the subsidiaries listed in the following table:

Entity's Name	December 31, 2022
Altus Group Asia Pacific Limited	100%
Altus Group U.S. Inc.	100%
Circle Software Acquisition Limited	100%
Argus Software (UK) Ltd.	100%
Circle Software International Limited (UK)	100%
Voyanta Limited (UK)	100%
Argus Software (Canada), Inc.	100%
Argus Software (Oceanic) Pty Ltd.	100%
Altus Group (UK) Limited	100%
Altus Group Property Tax Legal Services Inc.	49%
2262070 Ontario Limited	100%
Altus Group Data Solutions Inc.	100%
Altus Group S.à.r.l.	100%
Altus Group (Vietnam) Limited	100%
Altus Group (India) Private Limited	100%
Altus Egypt LLC [1]	85%
Altus Group (Hong Kong) Limited	100%

30. Related Party Transactions, cont'd

Entity's Name	December 31, 2022
Altus Group Consulting (Thailand) Company Limited	100%
Altus Group Management Holdings (Thailand) Company Limited	100%
Altus Group Services (Thailand) Company Limited	100%
Altus Group Construction Professionals (Thailand) Company Limited	100%
Altus Group Australia Pty Limited	100%
Altus Group (ACT) Pty Limited	100%
Altus Group Consulting Pty Limited	100%
Altus Group Queensland Pty Limited	100%
Altus Group Cost Management Pty Limited	100%
Altus Group Bay Partnership Pty Limited	100%
Estate Master Group Holdings Pty Limited	100%
Estate Master Pty Limited	100%
Estate Master UK Limited	100%
Estate Master FZ LLC	100%
Altus Group II LLC	100%
Argus Software Inc.	100%
Argus Software (Asia) Pte. Ltd.	100%
One11 Advisors, LLC	100%
Altus UK LLP	100%
Altus Group (UK2) Limited	100%
R2G Limited	100%
Lambournes Holdings Limited	100%
Lambournes Trading Services Limited	100%
CVS (Commercial Valuers & Surveyors) Limited	100%
Taliance Group SAS	100%
Taliance, Inc.	100%
Taliance Limited	100%
Taliance Solutions Canada Inc.	100%
Altus Group (France) Holdings SAS	100%
Finance Active SAS	100%
Finance Active SPRL	100%
Finance Active UK Limited	100%
Finance Active SRL	100%

30. Related Party Transactions, cont'd

Entity's Name	December 31, 2022
Finance Active SàRL	100%
Finance Active GmbH	100%
Verifino GmbH & Co. KG	100%
Verifino Verwaltungs GmbH	100%
Finance Active SARL	100%
Scryer, Inc. d/b/a Reonomy	100%
Rethink Solutions Inc.	100%

(1) An Egyptian national owns 15% of the remaining shares.

Altus Group Tax Consulting Paralegal Professional Corporation is an entity under control of the Company and has been consolidated in the Company's consolidated financial statements. The Company also has joint control, and 49.0% equity interest, in GeoVerra, which has been accounted for as a joint venture under the equity method.

31. Events After the Reporting Period

Renewal of NCIB

On February 3, 2023, the Company announced that the TSX had approved the renewal of its NCIB. Pursuant to the NCIB, the Company may purchase for cancellation up to 1,364,718 of its outstanding common shares during the period from February 8, 2023 to February 7, 2024. The total number of common shares that the Company is permitted to purchase is subject to a daily purchase limit of 17,933 common shares, other than block purchase exemptions.

LISTINGS

Toronto Stock Exchange
Stock trading symbol: AIF

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ERNST & YOUNG LLP

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