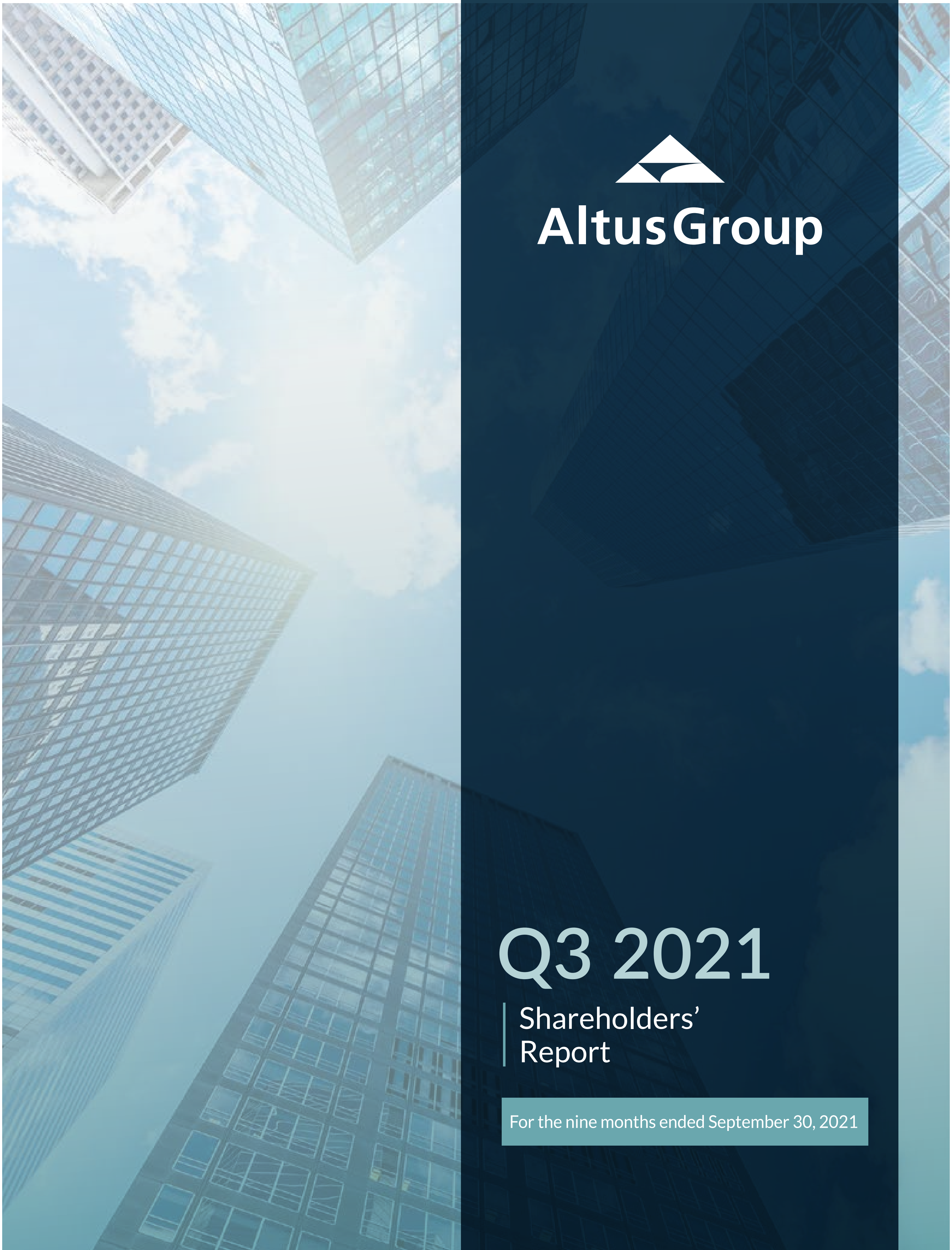

Altus Group

Q3 2021

Shareholders' Report

For the nine months ended September 30, 2021

Altus Group Limited

Shareholders' Report
September 30, 2021

Contents

Management's Discussion & Analysis
September 30, 2021

The following management's discussion and analysis ("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 unaudited interim condensed consolidated financial statements and accompanying notes (the "interim financial statements") as at and for the three and nine months ended September 30, 2021, which have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, and have been prepared using the same accounting policies under International Financial Reporting Standards ("IFRS") as disclosed in the audited annual consolidated financial statements ("annual financial statements") for the year ended December 31, 2020, 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 2020. Starting in the first quarter of 2021, segmented results presented (including restated comparative figures) include variable compensation costs that are accrued and allocated directly to the Company's business units on a quarterly basis. A table detailing the comparative 2020 quarterly results under the new treatment is posted on our website under the Investor Relations section with our 2020 year-end disclosure materials.

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

This MD&A is dated as of November 11, 2021.

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 and our objectives, goals, strategies, priorities, intentions, plans, beliefs, expectations and estimates, and our expectations of the business, our operations, financial performance and condition. Generally, forward-looking information can be identified by use of words such as "believe", "expect", "anticipate", "estimate", "intend", "may", "will", "would", "could", "should", "continue", "plan", "goal", "objective", "remain" and other similar expressions and the negative of such expressions, although not all forward-looking information contain these identifying words. All of the forward-looking information in this MD&A is qualified by this cautionary statement.

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, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that 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: our ability to meet our "Revenue" and "Adjusted EBITDA" targets, including assumptions on Altus Analytics Bookings growth, subscription and maintenance renewal rates, client retention rates, growth in our Data Solutions and Appraisal Management businesses, assumptions on the Argus Software revenue model, license sales, cloud conversion (including timing and rate), the 2021 post-acquisition financial results of Scryer, Inc. being in line with historical results, expected revenue, cost, and cost avoidance synergies will be realized, assumptions on other Altus Analytics contributors, expenses, operating leverage, and foreign exchange; having available cash on hand to repay debt on our expected timelines; engagement and product pipeline opportunities in Altus Analytics will result in associated definitive agreements; settlement volumes in the Property Tax business will occur on a timely basis and that assessment authorities will process appeals in a manner consistent with expectations; the 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; no disruptive changes in the technology environment; the opportunity to acquire accretive businesses and the absence of negative financial and other impacts resulting from strategic investments or acquisitions on short term results; the successful integration of acquired businesses; and the continued availability of qualified professionals. Projections may also be impacted by macroeconomic factors, in addition to other factors not controllable by the Company. We have also made certain macroeconomic and general industry assumptions in the preparation of such forward-looking information. We believe that the expectations reflected in forward-looking information are based upon reasonable assumptions; however, we can give no assurance that actual results will be consistent with the forward-looking information. Not all factors which affect the forward-looking information are known, and actual results may vary from the projected results in a material respect, and may be above or below the forward-looking information presented in a material respect.

The COVID-19 pandemic has cast additional uncertainty on each of these factors and assumptions. There can be no assurance that they will continue to be valid. Given the rapid pace of change with respect to the COVID-19 pandemic, it is difficult to make further assumptions about these matters. The duration, extent and severity of the impact the COVID-19 pandemic, including measures to prevent its spread, will have on our business is uncertain and difficult to predict at this time. As of the date of this MD&A, many of our offices and clients remain subject to limitations and restrictions set to reduce the spread of COVID-19, and a significant portion of our employees continue to work remotely.

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, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information include, but are not limited to: the general state of the economy; the COVID-19 pandemic; currency; our financial performance; our financial targets; the commercial real estate market; industry competition; our acquisitions; our cloud subscriptions transition; software renewals; professional talent; third party information; enterprise transactions; new product introductions; technological change; intellectual property; technology strategy; information technology governance and security; our product pipeline; property tax appeals; legislative and regulatory changes; fixed-price and contingency engagements; appraisal and appraisal management mandates; the Canadian multi-residential market; customer concentration and the loss of material clients; 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; leverage and financial covenants; our share price; our capital investments; and the issuance of additional common shares, as well as those described in our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2020 (which are available on SEDAR at www.sedar.com). In addition, in respect of the June 13, 2021 cybersecurity incident, while we have implemented our cybersecurity and business continuity protocols and adopted additional measures to enhance the security of our IT systems to help detect and prevent future attempts or incidents of malicious activity, we are subject to a number of risks and uncertainties in connection with the incident. Such risks and uncertainties include, but are not limited to: the outcome of the ongoing investigation into the incident; costs related to the investigation and any potential liabilities, regulatory investigation or lawsuit resulting from the incident; costs related to and the effectiveness of our mitigation and remediation efforts; our ability to recover proceeds under our insurance policies; and the potential loss of customer and other stakeholder confidence in our ability to protect their information, and the potential adverse financial impact such loss of confidence may have on our business.

Given these risks, uncertainties and other factors, 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 and beliefs regarding future events and operating performance and is based on information currently available to management. Although we have attempted to identify important factors that could cause actual results to differ materially from the forward-looking information contained herein, there are other factors that could cause results not to be as anticipated, estimated or intended. 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 "Financial Guidance" and "Outlook" may be considered as "financial outlook" within the meaning of applicable securities legislation including the revenue and Adjusted EBITDA guidance. 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.

Non-IFRS Measures

We use certain non-IFRS measures as indicators of financial 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. We believe that these measures are useful supplemental measures that may assist investors in assessing an investment in our shares and that they provide more insight into our performance. These non-IFRS measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS.

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

Adjusted EBITDA margin represents the percentage factor of Adjusted EBITDA to revenues. Refer to page 28 for a reconciliation of Adjusted EBITDA to our interim financial statements.

Adjusted Earnings (Loss) per Share ("Adjusted EPS") represents basic earnings (loss) per share from continuing operations adjusted for the effects of: occupancy costs calculated on a similar basis prior to the adoption of IFRS 16, depreciation of right-of-use assets, finance costs (income), net - leases, amortization of intangibles of acquired businesses, unrealized foreign exchange losses (gains), (gains) losses on disposal of right-of-use assets, property, plant and equipment and intangibles, non-cash share-based compensation costs, losses (gains) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged, interest accretion on contingent consideration payables, restructuring costs (recovery), losses (gains) on hedging transactions and interest expense (income) on swaps, acquisition and related transition costs (income), losses (gains) on investments, share of (profit) loss of joint venture, impairment charges, (gains) losses on derivatives, and other costs or income of a non-operating and/or non-recurring nature. The adjusted earnings (loss) reflect the above adjustments, net of tax. The basic weighted average number of shares is adjusted for the effects of weighted average number of restricted shares. Refer to page 29 for a reconciliation of Adjusted EPS to our interim financial statements.

ARGUS Enterprise ("AE") software maintenance retention rate is calculated as a percentage of AE software maintenance revenue retained upon renewal; it represents the percentage of the available renewal opportunity in a fiscal period that renews, calculated on a dollar basis, excluding any growth in user count or product expansion.

Over Time revenues is a metric consistent with IFRS 15, *Revenue from Contracts with Customers*, for the Altus Analytics business segment. Our Over Time revenues are comprised of software subscription revenues recognized on an over time basis in accordance with IFRS 15, software maintenance revenues associated with our legacy licenses sold on perpetual terms, Appraisal Management revenues, and data subscription revenues. Refer to page 19 for discussion of Over Time revenues.

Cloud adoption rate is a metric that represents the percentage of the total AE user base contracted on the ARGUS Cloud platform. It includes both new AE cloud users as well as those who have migrated from our AE on-premise software.

Bookings is a metric we introduced in the first quarter of 2021 for the Altus Analytics business segment. We define Bookings as the annual contract value ("ACV") for new sales of our recurring offerings (software, Appraisal Management solutions and data subscriptions) and the total contract value ("TCV") for one-time engagements (consulting, training and due diligence). The contract value of renewals is excluded from this metric, with the exception of additional capacity or products purchased at the time of renewal.

Constant currency allows for 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. The financial results and non-IFRS measures presented at constant currency within this MD&A are obtained by translating monthly results denominated in local currency (US dollars, British pound, Euro, Australian dollars, and other foreign currencies) at the foreign exchange rates of the comparable month.

Overview of the Business

Altus Group Limited is a leading provider of software, data solutions and independent advisory services to the global commercial real estate ("CRE") industry. Our businesses, Altus Analytics and Commercial Real Estate Consulting ("CRE Consulting"), reflect decades of experience, a range of expertise, and technology-enabled capabilities. Our solutions empower clients to analyze, gain insight and recognize value on their real estate investments. Headquartered in Canada, we have approximately 2,600 employees around the world, with operations in North America, Europe and Asia Pacific. Our clients include many of the world's largest CRE industry participants. Altus Group pays a quarterly dividend of $0.15 per share and our shares are traded on the Toronto Stock Exchange ("TSX") under the symbol AIF.

We have two reporting business segments - Altus Analytics and CRE Consulting.

Altus Analytics

Our Altus Analytics segment primarily consists of Over Time revenues, comprising software subscriptions and maintenance, and data solutions that are made available to clients through our Appraisal Management solutions and data subscription products. A smaller portion of the segment includes non-recurring revenues primarily from software services. Altus Analytics clients predominately consist of CRE asset and investment management firms, including large owners, managers and investors of CRE assets and funds, as well as other industry participants including service providers, brokers, appraisers, developers, financial institutions and the public sector.

Our globally sold ARGUS software solutions are among the most recognizable in the CRE industry. Our cloud-enabled product stack for global CRE asset and investment management comprises end-to-end integrated software solutions that provide visibility at the asset, portfolio and fund level to help clients enhance performance of their CRE investments. Our flagship AE software is the leading global solution for CRE valuation and portfolio management. It is widely recognized as the industry property valuation standard in key CRE markets and is primarily offered on a cloud platform. AE's suite of functionality enables organizations to manage and predict the performance of their CRE assets throughout the investment cycle supporting property valuations, investments, portfolios and budgeting. In addition to AE, we also sell other cloud-based software solutions to address key workflows in the areas of fund modeling and forecasting, data management, development feasibility, and acquisitions. Following the April 1, 2021 acquisition of Finance Active SAS ("Finance Active"), we now also offer debt management SaaS solutions for treasury and investment management. In addition to standard technology services related to education, training and implementation, we offer strategic advisory and managed services for real estate organizations' front-to-back-office strategies, processes and technology.

Fueled by our ARGUS software solutions, we also provide information services on a global basis through our Appraisal Management solutions and data subscription products. Our global Appraisal Management solutions combine data and analytics functionality with a managed service delivery to enable institutional real estate investors to perform quarterly performance reviews, benchmarking and attribution analysis of their portfolios. Through these offerings we provide an end-to-end valuation management solution for our institutional clients, providing independent oversight and expertise while leveraging our data analytics platform. We primarily offer Appraisal Management solutions in the U.S., and we are expanding into Europe and Asia Pacific. Our Appraisal Management clients primarily consist of open and closed real estate funds, including large pension funds. Altus Analytics also includes data analytics products that are sold on a subscription basis. Our cloud-based Altus Data Studio provides comprehensive real estate information on the Canadian residential, office, industrial and investment markets with unique data visualization capabilities. Our Canadian data covers new homes, investment transactions and commercial market inventory in key markets, and provides intelligence on the national housing market and consumer home buying and borrowing patterns. Our cloud-based StratoDem Analytics platform integrates vast amounts of granular U.S. local demographic and economic datasets to generate predictive models and analytical tools that enable clients to better understand the factors influencing the market and build more accurate models and forecasts.

Prior to 2020, the majority of our customers had licensed our AE software products on an on-premise basis, and had either paid on perpetual terms with ongoing maintenance, or on subscription terms. As of the start of 2020, our Altus Analytics software products have been sold only on a subscription-based model and increasingly as cloud solutions. Our software subscription agreements vary in length between one to five years, and the subscription fee depends primarily on the number of users and the applications deployed. We enjoy industry leading retention rates for our AE software. In addition to software subscriptions, our software services are charged primarily on a time and materials basis, billed and recognized monthly as delivered. The contractual terms of our Appraisal Management contracts generally provide for terms of three years and pricing is primarily based on the number of real estate assets on our platform, adjusted for frequency of valuations and complexity of asset class. We enjoy very high contract renewal rates. Our Appraisal Management teams are also engaged from time to time to perform due diligence assignments in connection with CRE transactions. Our data products are sold on a subscription basis.

Commercial Real Estate Consulting

Our CRE Consulting segment consists of the Property Tax, and the Valuation and Cost Advisory business units. Through our various practice areas, we are well-equipped to serve clients with an end-to-end solution that spans the life cycle of CRE assets - from feasibility, development, acquisition, management and disposition. Our professionals possess extensive industry, market and asset-specific knowledge that contribute to our proprietary internal databases that help drive successful client outcomes. We have long-standing relationships with leading CRE market participants - including owner operators, developers, financial institutions, and various CRE asset holders and investors.

Our largest revenue contributor to CRE Consulting is our Property Tax business which operates in Canada, the U.S. and the U.K. Our team of Property Tax professionals help clients minimize the tax burden and reduce the cost of compliance. Our core real estate property tax services include assessment reviews, management and appeals, as well as in the U.S., personal property and state and local tax advisory services. The majority of our Property Tax revenues are derived on a contingency basis, representing a percentage of the savings we achieve for our clients. As such, we recognize contingency revenues when settlements are made, which in some cases could span multiple years. A smaller portion of our fees are based on a time and materials basis. Valuation services, which are predominantly provided in Canada, consist of appraisals of real estate portfolios, valuation of properties for transactional purposes, due diligence and litigation and economic consulting. Our Cost Advisory practice, offered in both the private and public sectors in Canada and Asia Pacific, provides expert services in the areas of construction feasibility studies, budgeting, cost and loan monitoring and project management. Pricing for our Valuation and Cost Advisory services is primarily based on a fixed fee or time and materials basis. Given the strength of our brand, our independence and quality of our work, we enjoy a high rate of client renewals across all of our CRE Consulting businesses.

Strategy

Commercial real estate continues to see a steady rise in investment allocation by global institutions, solidifying it as an important and well-defined asset class. Higher volumes of cross-border transactions and institutional capital flows are adding new complexity and pressure on top of increasing risk and regulatory demands. To better cope, the CRE industry is rapidly re-examining their digital strategies and demanding more sophisticated processes and data to drive returns. Customers are increasingly looking for interoperability across software applications, data and workflows in a manner that drives real-time business insights. In addition, investors, regulators and the broader CRE community are demanding greater transparency on worldwide asset and portfolio performance, valuations, risk and Environmental, Social, and Governance ("ESG") compliance, and are increasingly relying on independent expert service providers in this pursuit.

With a global footprint, a prominent customer base, and through our Altus Analytics solutions, Property Tax and other CRE technology-enabled offerings, Altus Group is uniquely positioned to capitalize on the opportunities presented by these trends and to drive significant value for the industry. We are at the forefront of innovation in our industry and are well equipped to help our clients navigate the complexities of the CRE market to make better informed decisions and maximize the value of their real estate assets and investments.

Our vision is to be the leader for the valuation and management of risk for real estate assets by enhancing the decision making across the value chain through the use of technology, data, analytics and services. Over the past several years, we have positioned ourselves as a leading CRE technology and technology-enabled services provider through our investments in cloud technology, the integration of our software technology stack, the expansion of our products and services into Europe and the Asia Pacific region, and the digitization of our Property Tax and other service lines. We have also initiated the transition of our Altus Analytics business to a predominately recurring revenue model by moving from on-premise software sales, sold on perpetual and subscription terms, to cloud SaaS products.

Our next phase of growth involves driving deeper penetration across the CRE value chain by accelerating cloud adoption, creating greater interoperability of customers' embedded software and data applications, providing new and adjacent data and software solutions, and further integrating our existing product and service offerings to provide end-to-end data-driven insights.

Strategic Priorities

Our 2021 strategic priorities consist of:

- Accelerating the global adoption of ARGUS Cloud and increasing the proliferation of our applications across clients' workflows and the CRE value chain;
- Expanding into the CRE debt markets through a combination of organic and acquisitive initiatives;
- Expanding our data capabilities and developing new areas of opportunities;
- Continuing to build market leadership in Property Tax; and
- Enhancing our go-to-market strategies across the Company.

Our top priority is accelerating global adoption of ARGUS Cloud. We remain focused on establishing ARGUS Cloud as the foundational enterprise platform for global CRE asset and investment management, which in the long run we envision will leverage data and predictive data analytics to deliver real-time business insights. In support of this vision, we continue our transition from high-value point solutions to a more ubiquitous model that unifies our valuation and asset management capabilities on to a single, cloud-based platform that integrates numerous key workflows and enhances data-driven insights for the CRE industry. In order to drive faster adoption, we are focused on creating a much deeper differentiation in the value proposition between our cloud and on-premise products. Future version releases will see greater functionality developed exclusively on ARGUS Cloud, including additional application programming interfaces ("APIs") and interoperability that facilitates enhanced workflows and collaboration.

Our early foray into the CRE debt markets validates that there is a significant opportunity for us in this market adjacency. Although we currently provide valuation and risk management solutions to some clients in the debt space, deeper capabilities are required to fully address this growing market segment. Our customers and the industry would derive significant value and be better equipped to manage risk performance from a fulsome 360-degree view of their assets that combines equity and debt considerations. The April 1, 2021 acquisition of Finance Active, a European provider of debt management SaaS solutions for treasury and investment management, is an important step to accelerate our growth in the CRE debt market. It provides us with the immediate benefit of approaching a much larger client segment while expanding our reach across use cases and workflows. In addition, Finance Active provides us with greater cross-sell opportunities and a strengthened footprint in Europe that we plan to leverage to further our international expansion. As part of our product roadmap, we plan to integrate Finance Active's debt management SaaS solutions with our ARGUS Cloud platform.

A key company-wide initiative in 2021 is to expand our data capabilities and develop new opportunities. The market for real-time insights from data presents a substantial opportunity. Typical industry data is complex, voluminous, and unstructured. The data that is collected and generated by our various cloud solution products and by our Appraisal Management, Property Tax, and Valuations and Cost Advisory businesses is specific, timely and precise. Our opportunity lies in the ability to provide our clients with data architecture and data model solutions, enabled by ARGUS Cloud, allowing clients to aggregate data sourced from internal systems, Altus data and potentially other third-party data providers. Such a data platform with predictive analytics and alert capabilities would enable both equity and debt stakeholders to drive investment performance and manage risk. In support of this opportunity, we have formed a dedicated team and initiated internal workstreams to establish market use cases, feasibility studies and a technology roadmap. The acquisitions of StratoDem Analytics, which closed on May 4, 2021, and the proposed acquisition of Scryer, Inc. (d/b/a Reonomy) ("Reonomy"), which is expected to close on November 12, 2021 (as described on page 12) are core components of our long-term data strategy, bringing valuable data science technology and high performing talent, and accelerating our speed to market for future data analytics products. Integrating Reonomy's data and technical capabilities with the StratoDem Analytics platform for predictive analytics will enable us to deliver analytics at scale. When integrated together with our ARGUS software solutions, we will be able to provide insights and analytics in a highly innovative way. Both acquisitions are foundational to, and accelerate, our innovation and data strategy to solve key CRE challenges with real-time, data-driven insights, predictive analytics and alert capabilities.

With market leading practices in Canada, the U.K. and the U.S., our Property Tax practice is one of the largest and fastest growing property tax advisors globally. Our global Property Tax practice continues to represent an attractive growth opportunity in a consolidating industry, driven by solid market fundamentals and our strong competitive position. We will continue to invest organically and in tuck-in acquisitions of both core tax practices and adjacencies in order to grow our market share. Additionally, we will further digitize our data and workflows to drive efficiencies, gain incremental insights, and deliver greater client value. Lastly, we are re-organizing the tax business under a centralized leadership model with a global president and chief operating officer, in order to better align our regional tax practices under a common global model, drive best practices, and accelerate digital transformation. Our strategy is centered on strengthening this business with technology and data, and in doing so, improving the repeatability and growth of our revenues and our operating leverage.

Finally, we will align and enhance our go-to-market strategies across our businesses. By leveraging investments we have made in core platforms such as Salesforce, we will re-tool and scale our sales organization to better address the market opportunities in North America and Europe. We will evolve our customer success and drive deeper marketing programs to strengthen business development and sales initiatives. Our focus on account planning will better position us to identify our clients' enterprise needs, enabling us to provide them with an enterprise solution of our various offerings, rather than taking a single point selling approach. We believe this will drive higher client value and customer satisfaction, which in turn will result in higher, recurring revenue streams.

Financial and Operating Highlights

Selected Financial Information	Three months ended September 30,		Nine months ended September 30,	
In thousands of dollars, except for per share amounts	**2021**	2020	**2021**	2020
Revenues	$ 151,797	$ 134,950	$ 462,478	$ 421,676
Canada	28%	30%	30%	32%
U.S.	41%	42%	36%	39%
Europe	26%	23%	29%	24%
Asia Pacific	5%	5%	5%	5%
Adjusted EBITDA	$ 24,415	$ 24,047	$ 83,894	$ 72,194
Adjusted EBITDA margin	16.1%	17.8%	18.1%	17.1%
Profit (loss) for the period from continuing operations	$ (295)	$ 9,297	$ 18,683	$ 22,387
Profit (loss) for the period from discontinued operations	$ -	$ (130)	$ -	$ (5,300)
Profit (loss) for the period	$ (295)	$ 9,167	$ 18,683	$ 17,087
Earnings (loss) per share:				
Basic				
Continuing operations	$(0.01)	$0.23	$0.46	$0.56
Discontinued operations	$0.00	$0.00	$0.00	$(0.13)
Diluted				
Continuing operations	$(0.01)	$0.22	$0.44	$0.54
Discontinued operations	$0.00	$0.00	$0.00	$(0.13)
Adjusted	$0.39	$0.40	$1.48	$1.23
Dividends declared per share	$0.15	$0.15	$0.45	$0.45

Financial Highlights

- **Revenues** were $151.8 million for the three months ended September 30, 2021, up 12.5% (15.5% on a constant currency basis) or $16.8 million ($20.9 million on a constant currency basis), from $135.0 million in the same period in 2020. Organic revenue growth was 4.9% (7.9% on a constant currency basis) for the three months ended September 30, 2021. For the nine months ended September 30, 2021, revenues were $462.5 million, up 9.7% (13.0% on a constant currency basis) or $40.8 million ($54.6 million on a constant currency basis), from $421.7 million in the same period in 2020. Organic revenue growth was 4.6% (7.9% on a constant currency basis) for the nine months ended September 30, 2021. Revenue growth for the quarter was led by Altus Analytics, including the acquisition of Finance Active, which grew 32.4% (38.5% on a constant currency basis), helped by Over Time revenues growing 33.2% (38.2% on a constant currency basis). During the quarter, organic Bookings in Altus Analytics grew 70.0% (77.0% on a constant currency basis) over the same period in 2020. Property Tax revenues were partially impacted by COVID-19 related delays in the U.S. Property Tax business.

- **Adjusted EBITDA** was $24.4 million for the three months ended September 30, 2021, up 1.5% (5.0% on a constant currency basis) or $0.4 million ($1.2 million on a constant currency basis), from $24.0 million in the same period in 2020. Organic Adjusted EBITDA growth was (6.3%) ((2.7%) on a constant currency basis) for the three months ended September 30, 2021 primarily due to impacts from strategic initiatives within the Corporate segment. For the nine months ended September 30, 2021, Adjusted

EBITDA was $83.9 million, up 16.2% (20.1% on a constant currency basis) or $11.7 million ($14.5 million on a constant currency basis), from $72.2 million in the same period in 2020. Organic Adjusted EBITDA growth was 13.0% (16.9% on a constant currency basis) for the nine months ended September 30, 2021. The moderate Adjusted EBITDA growth was largely owing to strength in Altus Analytics, offset by a softer quarter in Property Tax and higher Corporate costs.

- **Profit (loss)** from continuing operations for the three months ended September 30, 2021 was $(0.3) million, down from $9.3 million in the same period in 2020. For the nine months ended September 30, 2021, profit (loss) from continuing operations was $18.7 million, down 16.5% or $3.7 million from $22.4 million in the same period in 2020. In addition to the items affecting Adjusted EBITDA as discussed above, profit (loss) from continuing operations for the three and nine months ended September 30, 2021 was impacted by additional costs related to the June 13, 2021 cybersecurity incident net of insurance proceeds received and receivable, acquisition and related transition costs, share-based compensation costs, amortization of acquisition-related intangibles, and lower gains on equity derivatives and foreign exchange. This was offset by lower restructuring costs related to our 2020 global restructuring program and additional gains on our partnership investments.

- For the three months ended September 30, 2021, earnings (loss) per share from continuing operations was $(0.01), basic and diluted, as compared to $0.23, basic and $0.22, diluted, in the same period in 2020. For the nine months ended September 30, 2021, earnings (loss) per share from continuing operations was $0.46, basic and $0.44, diluted, as compared to $0.56, basic and $0.54, diluted, in the same period in 2020.

- For the three months ended September 30, 2021, Adjusted EPS was $0.39, down 2.5% from $0.40 in the same period in 2020. For the nine months ended September 30, 2021, Adjusted EPS was $1.48, up 20.3% from $1.23 in the same period in 2020.

- We returned $6.3 million to shareholders in the quarter through quarterly dividends of $0.15 per common share.

- As at September 30, 2021, our bank debt was $246.9 million, representing a funded debt to EBITDA leverage ratio of 2.05 times (compared to 1.09 times as at December 31, 2020), well below our maximum ratio of 4.00 times. As at September 30, 2021, cash and cash equivalents were $66.4 million (compared to $69.6 million as at December 31, 2020).

Operating Highlights

Acquisition of ArGil Property Tax Services Paralegal Professional Corporation

On August 16, 2021, we acquired certain assets of ArGil Property Tax Services Paralegal Professional Corporation ("ArGil") for $6.1 million including a working capital payable of $2.1 million. As part of the transaction, we entered into a non-compete agreement with members of management of ArGil. As consideration for these assets, we paid cash of $1.4 million and will pay to the vendors excess working capital of $2.1 million. In addition, we issued 40,023 common shares to the vendors valued at $2.4 million from treasury. The common shares will be 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 $0.2 million, subject to certain performance targets being achieved over a three-year period from the closing date. ArGil provides Property Tax Advisory services in Ontario, Canada. Based in Canada, the ArGil team has integrated with our Property Tax business.

Financial guidance
On September 13, 2021, we provided a financial outlook for the third quarter and full year revenue and Adjusted EBITDA. The one-time guidance for fiscal year 2021 was as follows: Altus Analytics revenue of $247 - $249 million and Adjusted EBITDA of $42 - $44 million; CRE Consulting revenue of $370 - $374 million and Adjusted EBITDA of $101 - $104 million; and consolidated revenue of $617 - $623 million and Adjusted EBITDA of $108 - $113 million.

In light of the proposed acquisition of Reonomy, management updated its one-time financial guidance for fiscal year 2021 to the following: Altus Analytics revenue of $250 - $252 million and Adjusted EBITDA of $39 - $41 million; CRE Consulting revenue of $371 - $374 million and Adjusted EBITDA of $101 - $104 million; and consolidated revenue of $621 - $626 million and Adjusted EBITDA of $105 - $110 million.

Refer to the "Forward-Looking Information" section on page 1 of this MD&A for further discussions of the risks and assumptions relating to this guidance.

Amendments to bank credit facilities
Our bank credit agreement permits us to increase our bank credit facilities from $275.0 million to $350.0 million. On September 24, 2021, we amended our bank credit facilities to further strengthen our financial and liquidity position. The amended credit facilities increase our borrowing capacity to $315.0 million from $275.0 million with certain provisions that allow us to further increase the limit to $365.0 million.

In addition, in anticipation of the replacement of the LIBOR rates, interest rates under the credit facilities that were benchmarked to LIBOR rates have been amended to be benchmarked to SONIA, SOFR and €STR rates.

Operating Highlights - Events After the Reporting Period

$172.5 million bought deal equity financing
On October 4, 2021, we completed a $172.5 million bought deal equity financing to strengthen our financial flexibility to pursue our growth strategy. A total of 2,783,000 common shares were sold pursuant to our bought deal equity financing at a price of $62.00 per common share for gross proceeds of $172.5 million, including the full exercise of the underwriters' over-allotment option to purchase an additional 363,000 common shares at the same price.

Acquisition of Reonomy
On November 11, 2021, we signed a definitive agreement to acquire Reonomy, a fast growing, AI-powered data platform for the CRE industry, for USD201.5 million (approximately CAD249.5 million) (on a cash-free debt-free basis), subject to adjustments. The transaction is expected to close on November 12, 2021. The acquisition of Reonomy will strengthen our CRE data and analytics capabilities and creates a very compelling client offering that will allow us to serve new and expanded customer use cases. It also strategically positions us for accelerated transformative innovation in AI predictive data analytics, consistent with our data strategy to solve key CRE challenges with real-time, data-driven insights,

predictive analytics and alert capabilities. Reonomy was founded in 2013 and is in its early stages of growth. Its trailing twelve-month revenues and Adjusted EBITDA losses to September 30, 2021 were USD18.3 million and USD(16.9) million, respectively, reflecting its investment focus on user growth, platform development and revenue acceleration. We expect significant revenue and cost synergies from this transaction that should result in a nominal impact to Adjusted EBITDA in 2022.

On closing, we will pay USD198.5 million (approximately CAD245.8 million) in cash, funded by cash on hand and borrowings under our credit facilities. In addition, we will issue common shares to Reonomy's employees valued at USD3.0 million (approximately CAD3.7 million). These common shares will be held in escrow and will vest and be released equally over two years on each anniversary of the issuance date, subject to continued employment and compliance with certain terms and conditions.

Amendment to bank credit facilities

On November 4, 2021, we amended our bank credit facilities to further strengthen our financial and liquidity position. The amended credit facilities increase our borrowing capacity to $400.0 million from $315.0 million with certain provisions that allow us to further increase the limit to $450.0 million.

Discussion of Operations

Three and Nine Months Ended September 30, 2021

	Three months ended September 30,		Nine months ended September 30,	
In thousands of dollars	**2021**	2020	**2021**	2020
Revenues	$ 151,797	$ 134,950	$ 462,478	$ 421,676
Expenses				
Employee compensation	99,274	84,889	294,121	265,882
Occupancy	1,922	1,712	5,818	5,697
Office and other operating	36,041	23,383	90,769	76,626
Depreciation of right-of-use assets	3,100	2,818	8,910	8,504
Depreciation and amortization	8,712	7,291	24,648	22,893
Acquisition and related transition costs (income)	1,032	72	8,112	(1,104)
Share of (profit) loss of joint venture	(927)	(442)	(442)	(450)
Restructuring costs (recovery)	32	1,155	253	8,610
(Gain) loss on investments	(1,336)	68	(1,839)	(22)
Finance costs (income), net - leases	552	619	1,704	1,910
Finance costs (income), net - other	1,297	835	2,808	3,422
Profit (loss) from continuing operations before income taxes	2,098	12,550	27,616	29,708
Income tax expense (recovery)	2,393	3,253	8,933	7,321
Profit (loss) for the period from continuing operations	$ (295)	$ 9,297	$ 18,683	$ 22,387
Profit (loss) for the period from discontinued operations	-	(130)	-	(5,300)
Profit (loss) for the period attributable to shareholders	$ (295)	$ 9,167	$ 18,683	$ 17,087

Revenues

Revenues were $151.8 million for the three months ended September 30, 2021, up 12.5% (15.5% on a constant currency basis) or $16.8 million ($20.9 million on a constant currency basis), from $135.0 million in the same period in 2020. Organic revenue growth was 4.9% (7.9% on a constant currency basis) for the three months ended September 30, 2021. For the nine months ended September 30, 2021, revenues were $462.5 million, up 9.7% (13.0% on a constant currency basis) or $40.8 million ($54.6 million on a constant currency basis), from $421.7 million in the same period in 2020. Organic revenue growth was 4.6% (7.9% on a constant currency basis) for the nine months ended September 30, 2021. The increase in revenues for the quarter was driven by strong growth in Over Time revenues in Altus Analytics and incremental revenues as a result of the acquisition of Finance Active. Property Tax revenues were partially impacted by COVID-19 related delays in the U.S. Property Tax business.

Employee Compensation

Employee compensation was $99.3 million for the three months ended September 30, 2021, up 16.9% or $14.4 million from $84.9 million in the same period in 2020. For the nine months ended September 30, 2021, employee compensation was $294.1 million, up 10.6% or $28.2 million from $265.9 million in the same period in 2020. For the three and nine months ended September 30, 2021, the increase in compensation was mainly due to headcount additions within Altus Analytics and Property Tax and the acquisitions of

Property Tax Assistance Company Inc. ("PTA") in December 2020, Finance Active in April 2021, and StratoDem Analytics in May 2021. For the three and nine months ended September 30, 2021, employee compensation as a percentage of revenues was 65.4% and 63.6%, as compared to 62.9% and 63.1% in the corresponding periods in 2020, respectively.

Occupancy

Occupancy represents amounts pertaining to short-term leases, low-value assets, and variable lease payments and was $1.9 million for the three months ended September 30, 2021, up 12.3% or $0.2 million from $1.7 million in the same period in 2020. For the nine months ended September 30, 2021, occupancy was $5.8 million, up 2.1% or $0.1 million from $5.7 million in the same period in 2020. For the three and nine months ended September 30, 2021, the impacts of IFRS 16 decreased occupancy costs by $3.3 million and $9.7 million, as compared to $3.0 million and $9.3 million in the corresponding periods in 2020, respectively. Without the impact of IFRS 16, occupancy costs for the three and nine months ended September 30, 2021 increased moderately. For the three and nine months ended September 30, 2021, occupancy as a percentage of revenues was 1.3% and 1.3%, as compared to 1.3% and 1.4% in the corresponding periods in 2020, respectively. Without the impact of IFRS 16, occupancy as a percentage of revenues would have been 3.4% and 3.4% for the three and nine months ended September 30, 2021, as compared to 3.5% and 3.5% in the corresponding periods in 2020, respectively.

Office and Other Operating Costs

Office and other operating costs were $36.0 million for the three months ended September 30, 2021, up 54.1% or $12.6 million from $23.4 million in the same period in 2020. For the nine months ended September 30, 2021, office and other operating costs were $90.8 million, up 18.5% or $14.2 million from $76.6 million in the same period in 2020. For the three and nine months ended September 30, 2021, the increase was primarily due to acquisitions, professional fees for strategic advisory work, and costs related to the cybersecurity incident net of insurance proceeds received and receivable. For the three and nine months ended September 30, 2021, office and other operating costs as a percentage of revenues were 23.7% and 19.6%, as compared to 17.3% and 18.2% in the corresponding periods in 2020, respectively.

Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets was $3.1 million and $8.9 million for the three and nine months ended September 30, 2021, as compared to $2.8 million and $8.5 million in the corresponding periods in 2020, respectively. The increase was primarily due to the acquisition of Finance Active office leases.

Depreciation and Amortization

Depreciation and amortization were $8.7 million and $24.6 million for the three and nine months ended September 30, 2021, as compared to $7.3 million and $22.9 million in the corresponding periods in 2020, respectively. The increase was mainly due to the recognition and the amortization of intangible assets related to recent acquisitions.

Acquisition and Related Transition Costs (Income)

Acquisition and related transition costs (income) were $1.0 million and $8.1 million for the three and nine months ended September 30, 2021, as compared to $0.1 million and $(1.1) million in the corresponding periods in 2020, respectively. Costs incurred for the periods ended September 30, 2021 were related to the April 1, 2021 acquisition of Finance Active, the May 4, 2021 acquisition of StratoDem Analytics, and the August 16, 2021 acquisition of ArGil. The income recorded for the nine months ended September 30, 2020 was due to a downward revaluation of our acquisition-related contingent consideration payables on historical acquisitions.

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"), which was entered into on June 27, 2020, and was $(0.9) million and $(0.4) million for the three and nine months ended September 30, 2021, as compared to $(0.4) million and $(0.5) million in the corresponding periods in 2020, respectively.

Restructuring Costs (Recovery)

Restructuring costs (recovery) were $nil and $0.3 million for the three and nine months ended September 30, 2021 related to true-ups for the settlement of charges pertaining to the global restructuring program initiated in the second quarter of 2020, as compared to $1.2 million and $8.6 million in the corresponding periods in 2020, respectively.

(Gain) Loss on Investments

(Gain) loss on investments was $(1.3) million and $(1.8) million for the three and nine months ended September 30, 2021, as compared to $0.1 million and $nil in the corresponding periods in 2020, respectively. The amount represents changes in the fair value of our investments in partnerships.

Finance Costs (Income), Net

	Three months ended September 30,			Nine months ended September 30,		
In thousands of dollars	**2021**	2020	% Change	**2021**	2020	% Change
Interest on borrowings	$ 1,044	$ 843	23.8%	$ 2,505	$ 3,220	(22.2%)
Interest on lease liabilities	552	619	(10.8%)	1,704	1,910	(10.8%)
Unwinding of discounts	32	3	966.7%	67	133	(49.6%)
Interest - other	234	-	100.0%	293	-	100.0%
Change in fair value of interest rate swaps	-	-	-	-	138	(100.0%)
Finance income	(13)	(11)	18.2%	(57)	(69)	(17.4%)
Finance costs (income), net	$ 1,849	$ 1,454	27.2%	$ 4,512	$ 5,332	(15.4%)

Finance costs (income), net for the three months ended September 30, 2021 was $1.8 million, up 27.2% or $0.3 million from $1.5 million in the same period in 2020. For the nine months ended September 30, 2021, finance costs (income), net was $4.5 million, down 15.4% or $0.8 million from $5.3 million in the same period in 2020. For the three months ended September 30, 2021, finance costs increased due to the higher interest on our bank credit facilities and the accretion of the purchase price accounting adjustment to deferred revenue of Finance Active. For the nine months ended September 30, 2021, finance costs decreased due to lower interest on our bank credit facilities and leases, and the smaller change in fair value recognized in relation to our $65.0 million interest rate swap which was settled in the second quarter of 2020, offset by the accretion of the purchase price accounting adjustment to deferred revenue of Finance Active.

Income Tax Expense (Recovery)

Income tax expense (recovery) for the three and nine months ended September 30, 2021 was $2.4 million and $8.9 million, as compared to $3.3 million and $7.3 million in the corresponding periods in 2020, 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 have impacted our effective tax rates for the period ended September 30, 2021.

Profit (Loss) from Continuing Operations

Profit (loss) from continuing operations for the three months ended September 30, 2021 was $(0.3) million and $(0.01) per share, basic and diluted, as compared to $9.3 million and $0.23 per share, basic and $0.22 per share, diluted, in the same period in 2020. For the nine months ended September 30, 2021, profit (loss) from continuing operations was $18.7 million and $0.46 per share, basic and $0.44 per share, diluted, as compared to $22.4 million and $0.56 per share, basic and $0.54 per share, diluted, in the same period in 2020.

Profit (Loss) from Discontinued Operations

Profit (loss) from discontinued operations for the three months ended September 30, 2021 was $nil and $0.00 per share, basic and diluted, as compared to $(0.1) million and $0.00 per share, basic and diluted, in the same period in 2020. For the nine months ended September 30, 2021, profit (loss) from discontinued operations was $nil and $0.00 per share, basic and diluted, as compared to $(5.3) million and $(0.13) per share, basic and diluted, in the same period in 2020. This was due mainly to the contribution of our Geomatics discontinued operations into the GeoVerra joint venture in the second quarter of 2020.

Profit (Loss)

Profit (loss) for the three months ended September 30, 2021 was $(0.3) million and $(0.01) per share, basic and diluted, as compared to $9.2 million and $0.23 per share, basic and $0.22 per share, diluted, in the same period in 2020. For the nine months ended September 30, 2021, profit (loss) was $18.7 million and $0.46 per share, basic and $0.44 per share, diluted, as compared to $17.1 million and $0.43 per share, basic and $0.42 per share, diluted, in the same period in 2020.

Revenues and Adjusted EBITDA by Business Unit

Revenues		Three months ended September 30,				Nine months ended September 30,		
In thousands of dollars	**2021**	2020	% Change	Constant Currency % Change	**2021**	2020	% Change	Constant Currency % Change
Altus Analytics	$ 65,101	$ 49,177	32.4%	38.5%	$ 178,677	$ 152,192	17.4%	24.2%
Commercial Real Estate Consulting	86,771	85,849	1.1%	2.3%	284,027	269,713	5.3%	6.6%
Intercompany eliminations	(75)	(76)	1.3%	1.7%	(226)	(229)	1.3%	1.5%
Total	$ 151,797	$ 134,950	12.5%	15.5%	$ 462,478	$ 421,676	9.7%	13.0%

Adjusted EBITDA		Three months ended September 30,				Nine months ended September 30,		
In thousands of dollars	**2021**	2020 (1)	% Change	Constant Currency % Change	**2021**	2020 (1)	% Change	Constant Currency % Change
Altus Analytics	$ 11,728	$ 9,588	22.3%	29.2%	$ 30,869	$ 26,030	18.6%	27.6%
Commercial Real Estate Consulting	22,478	22,174	1.4%	2.3%	79,886	67,881	17.7%	18.7%
Corporate	(9,791)	(7,715)	26.9%	27.3%	(26,861)	(21,717)	23.7%	24.4%
Total	$ 24,415	$ 24,047	1.5%	5.0%	$ 83,894	$ 72,194	16.2%	20.1%

(1) Comparative figures have been restated to reflect accrued variable compensation costs within the respective business units. Refer to Note 5 of the interim financial statements.

Altus Analytics

In thousands of dollars	Three months ended September 30, 2021	2020	% Change	Constant Currency % Change	Nine months ended September 30, 2021	2020	% Change	Constant Currency % Change
Revenues	$ 65,101	$ 49,177	32.4%	38.5%	$ 178,677	$ 152,192	17.4%	24.2%
Adjusted EBITDA (1)	$ 11,728	$ 9,588	22.3%	29.2%	$ 30,869	$ 26,030	18.6%	27.6%
Adjusted EBITDA Margin (1)	18.0%	19.5%			17.3%	17.1%		
Selected Metrics (2)								
Bookings	$ 20,525	$ 11,303	81.6%	88.7%	$ 63,946	$ 39,122	63.5%	74.1%
Over Time revenues	$ 55,093	$ 41,371	33.2%	38.2%	$ 148,004	$ 124,210	19.2%	25.4%
AE software maintenance retention rate	95%	94%			94%	95%		
Geographical revenue split								
North America	73%	81%			75%	83%		
International	27%	19%			25%	17%		
Cloud adoption rate (as at end of period)					29%	10%		

(1) Comparative figures have been restated to reflect accrued variable compensation costs within the respective business units. Refer to Note 5 of the interim financial statements.

(2) Refer to page 4 of this MD&A for definitions of the Selected Metrics presented above.

Quarterly Discussion

Revenues were $65.1 million for the three months ended September 30, 2021, up 32.4% (38.5% on a constant currency basis) or $15.9 million ($18.9 million on a constant currency basis), from $49.2 million in the same period in 2020. Organic revenues were up 14.5% (up 20.6% on a constant currency basis). The acquisitions of Finance Active and StratoDem Analytics represented 17.9% of the 32.4% revenue growth. We had robust double-digit growth across all our business lines driving strength in Over Time revenue growth as well as strong performance in software consulting services.

Over Time revenues, as described above in the "Overview of the Business" section, were $55.1 million for the three months ended September 30, 2021, up 33.2% (38.2% on a constant currency basis) or $13.7 million ($15.8 million on a constant currency basis), from $41.4 million in the same period in 2020. On an organic basis, Over Time revenues were up 12.8% (up 17.9% on a constant currency basis). Over Time revenues benefitted from double-digit organic revenue growth from software, data and Appraisal Management solutions, as well as the acquisition of Finance Active. Sequentially, Over Time revenues grew 9.9% (8.2% on a constant currency basis) or $5.0 million ($4.1 million on a constant currency basis), from $50.1 million in the second quarter of 2021.

Bookings in the quarter increased by 81.6% year-over-year (88.7% on a constant currency basis), from $11.3 million to $20.5 million and we finished the quarter with a growing pipeline of future opportunities. Organic growth in Bookings was 70.0% (77.0% on a constant currency basis) from the same period in 2020.

Our transition to AE cloud subscriptions continues to progress at a healthy pace. In the third quarter, we continued to migrate existing customers from the on-premise product with good momentum selling cloud-enabled AE to new customers. At the end of the third quarter of 2021, 29% of our total AE user base had been contracted on ARGUS Cloud, compared to 26% the previous quarter, 14% at the start of the year, and 10% at the end of the third quarter of 2020.

Adjusted EBITDA was $11.7 million for the three months ended September 30, 2021, up 22.3% (29.2% on a constant currency basis) or $2.1 million ($2.8 million on a constant currency basis), from $9.6 million in the same period in 2020. Organic Adjusted EBITDA growth was 6.0% (12.9% on a constant currency basis). Adjusted EBITDA improved on higher revenues, although it was impacted by the purchase price accounting adjustment of $1.0 million to Finance Active's deferred revenues as well as higher investment related to accelerating our data strategy. The purchase price accounting adjustment had a 1% impact to Adjusted EBITDA margin.

Year-to-Date Discussion

Revenues were $178.7 million for the nine months ended September 30, 2021, up 17.4% (24.2% on a constant currency basis) or $26.5 million ($36.8 million on a constant currency basis), from $152.2 million in the same period in 2020. Organic revenue growth was 6.2% (13.0% on a constant currency basis). The acquisitions of Finance Active and StratoDem Analytics represented 11.2% revenue growth. Total revenue growth benefitted from Over Time revenue growth on higher subscription revenues and increased year-over-year revenue from a rebound in software consulting services.

Over Time revenues, as described above in the "Overview of the Business" section, were $148.0 million for the nine months ended September 30, 2021, up 19.2% (25.4% on a constant currency basis) or $23.8 million ($31.6 million on a constant currency basis), from $124.4 million in the same period in 2020. On an organic basis, Over Time revenues were up 6.1% (up 12.3% on a constant currency basis). Over Time revenues increased on higher subscription revenue and robust growth generated by our Appraisal Management solutions from new clients and additional assets from existing clients and the acquisition of Finance Active.

Bookings in the nine months ended September 30, 2021 increased by 63.5% year-over-year (74.1% on a constant currency basis) from $39.1 million to $63.9 million and we finished the quarter with a growing pipeline of future opportunities. Organic growth in Bookings was 57.2% (67.8% on a constant currency basis) from the same period in 2020.

Adjusted EBITDA was $30.9 million for the nine months ended September 30, 2021, up 18.6% (27.6% on a constant currency basis) or $4.9 million ($7.2 million on a constant currency basis), from $26.0 million in the same period in 2020. Organic Adjusted EBITDA growth was 11.5% (20.4% on a constant currency basis). Adjusted EBITDA improved on higher revenues and improved operating margins, although it was impacted by the purchase price accounting adjustment of $2.4 million to Finance Active's deferred revenues as well as higher investment related to accelerating our data strategy. The purchase price accounting adjustment had a 1% impact to Adjusted EBITDA margin.

Outlook

Our Altus Analytics business continues to have an attractive growth outlook, supported by favourable market trends of growing global demand for CRE-related technology and data solutions. We remain well positioned to deliver sustained growth over the long term through the execution of our multi-year strategy. The successful execution of our annual strategic initiatives is expected to drive sustained year-over-year revenue growth in 2021, particularly double-digit growth in our Over Time revenues on a constant currency basis, and a double-digit year-over-year improvement in our Adjusted EBITDA on a constant currency basis. Taking into consideration the purchase price accounting adjustment to both Finance Active's and Reonomy's deferred revenues, combined with our investment to accelerate our data strategy (including building out the recently acquired StratoDem Analytics platform and additional investments at Reonomy), we expect our full year Adjusted EBITDA margins will be impacted, ranging from 15.5% - 16.0%. Notwithstanding Reonomy's impact to the Altus Analytics' Adjusted EBITDA in 2022, management continues to expect a year-over-year improvement in Altus Analytics Adjusted EBITDA margins for full year 2022.

In 2021, we expect organic growth in our Over Time revenues from higher software subscription license sales and continued strength from our Appraisal Management and data subscription solutions. Software subscription license sales should benefit from sustained customer expansion through our dedicated focus on customer success, and the steady addition of new software clients globally. Having fully shifted to a subscription model since the start of 2020, in 2021 we will benefit from the full year impact of past subscription deals given the stacking effect of a subscription model, and the comparative year no longer including upfront perpetual deals. Consistent with the growth momentum from 2020, our Appraisal Management practice is expected to benefit from new client additions, customer expansion as more assets are added on our platform or as new funds are launched, and our ongoing expansion into the European and Asia Pacific markets. Additionally, our data subscription products continue to be favourably positioned as new product functionality, the addition of the StratoDem Analytics platform, and new partnership opportunities provide us with additional prospects for growth. We also expect acquisitive growth in Over Time revenues from our acquisitions of Finance Active and StratoDem Analytics, and the proposed acquisition of Reonomy, as well as enhanced cross-sell opportunities. As many of our solutions are considered to be mission critical by our customers, we expect our gross retention rates for AE (maintenance and subscriptions) as well as the Finance Active SaaS solutions will remain in the industry leading mid-90's range and that our renewal rates for our Appraisal Management engagements and data subscription products will remain exceptionally strong. This will be supported by our revamped customer success programs.

The ongoing COVID-19 pandemic has both spurred demand for some of our analytics solutions and challenged certain parts of our software business. The initial impact, which is less pronounced today, was mainly to our software consulting and training services, and to a lesser degree also impacted the volume of license sales in the SMB segment and extended the sales cycles for our larger transactions. However, based on recent trends and some planned changes to our go-to-market strategies, we remain optimistic about improvements for 2021. Our Bookings pipeline is building and remains robust. Overall, we anticipate a lesser impact as a result of the COVID-19 pandemic in 2021 than we experienced in 2020. By and large, demand for our Altus Analytics solutions remains robust. As the global economy continues to recover from the impacts of the pandemic, activity levels have started to rebound as companies worldwide push for more data-driven visibility on their CRE assets, endeavor to streamline operations with technology and prioritize cloud-based solutions.

The migration of on-premise AE users to cloud-based subscription contracts is ongoing, and we have made significant progress in 2021. As planned, early adoption continues to be led by SMB firms as they are much easier to transition and typically have less complex IT infrastructure requirements. Our latest enhancements to cloud-enabled AE and the integration with APIs are an important catalyst for many larger firms and we expect a greater volume of our larger customers to begin their migration journey. Our progress should be reflected in our growing cloud adoption rate and the growth in Over Time revenues. We continue to expect that the significant majority of our AE users will be contracted to the cloud by the end of 2023.

Including the anticipated results of Reonomy, we have updated our one-time financial guidance for fiscal year 2021 for Altus Analytics to $250 - $252 million in revenue and $39 - $41 million in Adjusted EBITDA.

Refer to the "Forward-Looking Information" section on page 1 of this MD&A for further discussions of the risks and assumptions relating to this outlook.

We remain committed to our aspirational long-term goal of achieving revenues of $400 million by the end of 2023. We have multiple paths to accelerate our revenue growth over the next three years, including driving double digit organic revenue growth and accelerating our expansion into strategic adjacencies in debt and data analytics through both organic and acquisitive investments.

Commercial Real Estate Consulting

	Three months ended September 30,				Nine months ended September 30,			
In thousands of dollars	**2021**	2020	% Change	Constant Currency % Change	**2021**	2020	% Change	Constant Currency % Change
Revenues								
Property Tax	$ 58,488	$ 58,215	0.5%	2.0%	$ 199,851	$ 187,685	6.5%	8.6%
Valuation and Cost Advisory	28,283	27,634	2.4%	3.0%	84,176	82,028	2.6%	2.1%
Revenues	$ 86,771	$ 85,849	1.1%	2.3%	$ 284,027	$ 269,713	5.3%	6.6%
Adjusted EBITDA [(1)]								
Property Tax	$ 18,596	$ 18,270	1.8%	2.8%	$ 69,394	$ 58,840	17.9%	19.2%
Valuation and Cost Advisory	3,882	3,904	(0.6%)	0.2%	10,492	9,041	16.0%	15.5%
Adjusted EBITDA	$ 22,478	$ 22,174	1.4%	2.3%	$ 79,886	$ 67,881	17.7%	18.7%
Adjusted EBITDA Margin	25.9%	25.8%			28.1%	25.2%		

(1) Comparative figures have been restated to reflect accrued variable compensation costs within the respective business units. Refer to Note 5 of the interim financial statements.

Quarterly Discussion

Revenues were $86.8 million for the three months ended September 30, 2021, up 1.1% (2.3% on a constant currency basis) or $1.0 million ($2.0 million on a constant currency basis), from $85.8 million in the same period in 2020. Organic revenue growth was (0.6%) (0.6% on a constant currency basis).

Property Tax revenues were $58.5 million, up 0.5% (2.0% on a constant currency basis). As disclosed in our September 13, 2021 business update, we experienced some quarterly variability in the third quarter due to continuing COVID-related disruptions and appeal settlement delays in the U.S. and the U.K. which caused some of our anticipated third quarter revenues to be deferred into future quarters. As a result, revenues in the U.S. and the U.K. were impacted (on par with the prior year on a constant currency basis), offset by healthy growth in Canada driven by strong performance in Ontario and Alberta.

Revenue from our Valuation and Cost Advisory businesses were higher, driven primarily by robust performance from the Cost business as underlying activity levels in Canada were higher from prior year.

Adjusted EBITDA was $22.5 million for the three months ended September 30, 2021, up 1.4% (2.3% on a constant currency basis) or $0.3 million ($0.5 million on a constant currency basis), from $22.2 million in the same period in 2020. The increase in earnings resulted from higher revenues from Property Tax and from our Cost business, partly offset by lower earnings from our Canadian Valuation practice.

Year-to-Date Discussion

Revenues were $284.0 million for the nine months ended September 30, 2021, up 5.3% (6.6% on a constant currency basis) or $14.3 million ($17.8 million on a constant currency basis), from $269.7 million in the same period in 2020. Organic revenue growth was 3.7% (5.0% on a constant currency basis). The growth in revenues was driven by strength in our Property Tax, Cost and Valuation practices.

Property Tax revenues were $199.9 million, up 6.5% (8.6% on a constant currency basis) and were higher as a result of annuity billings in the U.K. and steady performance in Canada, offset by COVID-19 delayed settlement activity in the U.S., and the negative currency impact from a weaker U.S. dollar. Organic revenue growth in Property Tax was 4.2% (6.3% on a constant currency basis). Consistent with seasonal patterns, the U.S. continues to build its pipeline that is expected to benefit future quarters. Our Valuation and Cost Advisory business grew on increased activity levels.

Adjusted EBITDA was $79.9 million for the nine months ended September 30, 2021, up 17.7% (18.7% on a constant currency basis) or $12.0 million ($12.7 million on a constant currency basis), from $67.9 million in the same period in 2020. Organic Adjusted EBITDA growth was 17.0% (18.0% on a constant currency basis). The increase in earnings resulted mainly from higher revenues from Property Tax.

Outlook

Our global Property Tax practice is one of the largest and fastest growing property tax practices and continues to represent an attractive growth opportunity in a consolidating industry, driven by solid market fundamentals, our strong competitive position, and resilient demand for our specialized services.

Following our best-ever performance in 2020, we remain well positioned to deliver another record revenue and Adjusted EBITDA year in 2021. Our full year outlook is supported by a healthy pipeline of cases to be settled. Given the seasonal and cyclical variations of the Property Tax business (as discussed in more detail on page 30 of this MD&A), we expect to experience typical quarterly variability in our financial performance, including the second quarter being our seasonally strongest quarter. As was experienced in the third quarter of 2021, the ongoing COVID-19 pandemic has and could continue to potentially impact some of these typical variations, and cause some short-term disruption related to the anticipated timing of settlements.

Our Valuation and Cost Advisory practices enjoy significant market share and, as a result, have been growing modestly. We have enhanced these businesses with the use of technology and expect that to drive operational efficiencies. Although the COVID-19 pandemic has had some impact on activity levels, business resumption in key jurisdictions has begun to mitigate against further declines. A significant portion of the Valuation business consists of periodic valuations of CRE portfolios, which are expected to remain stable or in some cases increase in frequency. Our Cost Advisory business depends to a large extent on an active CRE developer market, which appears to be stable. Aside from any short-term disruptions, the long-term opportunity associated with this business remains intact as many engagements are multi-year.

As a result of the strong performance in the third quarter, our guidance for full year 2021 for CRE Consulting has increased to $371 - $374 million in revenue and $101 - $104 million in Adjusted EBITDA.

Refer to the "Forward-Looking Information" section on page 1 of this MD&A for further discussions of the risks and assumptions relating to this outlook.

Corporate Costs

Quarterly Discussion

Corporate costs were $9.8 million for the three months ended September 30, 2021, as compared to $7.7 million (restated to reflect accrued variable compensation costs within the respective business units) in the same period in 2020. Corporate costs increased primarily due to higher consulting fees for professional advisory. Starting in the first quarter of 2021, we accrued and allocated variable compensation costs for the business units directly on a quarterly basis, versus the former treatment of accruing under the Corporate segment and reallocating in the fourth quarter.

Year-to-Date Discussion

Corporate costs were $26.9 million for the nine months ended September 30, 2021, as compared to $21.7 million (restated to reflect accrued variable compensation costs within the respective business units) in the same period in 2020. Corporate costs increased primarily due to higher consulting fees for professional advisory. Starting in the first quarter of 2021, we accrued and allocated variable compensation costs for the business units directly on a quarterly basis, versus the former treatment of accruing under the Corporate segment and reallocating in the fourth quarter.

Liquidity and Capital Resources

Cash Flow	Three months ended September 30,		Nine months ended September 30,	
In thousands of dollars	**2021**	2020 (1)	**2021**	2020 (1)
Net cash related to operating activities	$ 5,600	$ 29,697	$ 45,535	$ 39,606
Net cash related to financing activities	(7,940)	(11,072)	106,529	(5,642)
Net cash related to investing activities	(5,993)	(1,106)	(153,637)	(4,067)
Effect of foreign currency translation	622	(475)	(1,696)	951
Change in cash position during the period	$ (7,711)	$ 17,044	$ (3,269)	$ 30,848
Dividends paid	$ (5,368)	$ (5,308)	$ (15,971)	$ (16,628)

(1) The net cash flows provided by (used in) the operating, financing, and investing activities of the Geomatics discontinued operations for the three months ended September 30, 2020 were $0.1 million, $nil, and $(0.1) million, respectively. For the nine months ended September 30, 2020, the net cash flows provided by (used in) the operating, financing, and investing activities of the Geomatics discontinued operations were $3.2 million, $(0.7) million, and $(1.5) million, respectively. The Geomatics discontinued operations was contributed into the GeoVerra joint venture in the second quarter of 2020.

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. Whilst we continue to generate strong cash flows from our operating activities, significant erosion in the general state of the economy or further prolonged impacts of the COVID-19 pandemic or the cybersecurity incident could affect our liquidity by reducing future cash generated from operating activities or by limiting access to short-term financing as a result of tightening credit markets.

Cash from Operating Activities

Working Capital				
In thousands of dollars	**September 30, 2021**		December 31, 2020	
Current assets	$	296,138	$	268,571
Current liabilities		182,917		153,184
Working capital	$	113,221	$	115,387

Current assets are composed primarily of cash and cash equivalents and trade receivables and other (including a $1.8 million related party receivable from our GeoVerra joint venture related mainly to the settlement of our initial contributions, which as a related party transaction, is described in the notes to our 2020 annual financial statements). It also includes income taxes recoverable and derivative financial instruments for our equity hedges on RSUs and DSUs. The increase is primarily due to the generation of cash and cash equivalents through collection of trade receivables from operations.

Current liabilities are composed primarily of trade payables and other (including a $0.3 million related party payable to our GeoVerra joint venture related mainly to customer payments received on its behalf), and lease liabilities. It also includes income taxes payable and derivative financial instruments in a liability position. The increase in current liabilities is mainly due to the increase in accrued expenses and the contract liabilities (deferred revenue) and deferred consideration payables resulting from the Finance Active acquisition, offset by continued payment of restructuring provisions related to our 2020 global restructuring program.

As at September 30, 2021, trade receivables, net and contract assets (unbilled revenue on customer contracts) net of contract liabilities (deferred revenue) was $147.6 million, up 10.4% or $14.0 million from $133.6 million as at December 31, 2020. As a percentage of the trailing 12-month revenues, trade receivables and unbilled revenue on customer contracts net of deferred revenue, for continuing operations, was 23.6% as at September 30, 2021, as compared to 23.4% as at December 31, 2020.

Our Days Sales Outstanding ("DSO") from continuing operations was 77 days as at September 30, 2021, as compared to 84 days as at December 31, 2020. We calculate DSO by taking the five-quarter average balance of trade receivables, net and unbilled revenue on customer contracts net of deferred revenue and the result is then divided by the trailing 12-month revenues plus any pre-acquisition revenues, as applicable, and multiplied by 365 days. Our method of calculating DSO may differ from the methods used by other issuers and, accordingly, may not be comparable to similar measures used by other issuers. We believe this measure is useful to investors as it demonstrates our ability to convert revenue into cash.

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 September 30, 2021, the amounts owing to the vendors of acquired businesses were $11.0 million, as compared to $3.7 million as at December 31, 2020. 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.

Cash from Financing Activities

Our revolving bank credit facilities are unsecured and used for general corporate purposes and the funding of our acquisitions. In September 2021, we amended our bank credit facilities to further strengthen our financial and liquidity position, increasing our borrowing capacity from $275.0 million to $315.0 million, with certain provisions that allow us to further increase the limit to $365.0 million. On November 4, 2021, we further amended our bank credit facilities to increase our borrowing capacity to $400.0 million from $315.0 million, with certain provisions that allow us to further increase the limit to $450.0 million. The bank credit facilities have a three-year term expiring March 24, 2023, with an additional two-year extension available at our option.

As at September 30, 2021, our total borrowings on our bank credit facilities amounted to $246.9 million, an increase of $123.9 million from December 31, 2020.

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 three and nine months ended September 30, 2021 on our bank credit facilities was 1.54% and 1.46%, as compared to 1.95% and 2.60% in the corresponding periods in 2020, respectively.

The bank credit facilities require us to comply with the following financial ratios:

- Maximum Funded Debt to EBITDA ratio: maximum of 4.00:1
- Minimum Interest Coverage ratio: minimum of 3.00:1

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 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.

We also have outstanding letters of credit under our bank credit facilities in the total amount of $1.1 million (December 31, 2020 - $1.1 million).

As at September 30, 2021, we have guaranteed up to $1.5 million in connection with vehicle leases and related services entered into by GeoVerra (December 31, 2020 - $1.5 million).

As at September 30, 2021, we were in compliance with the financial covenants of our amended bank credit facilities, which are summarized below:

	September 30, 2021
Funded debt to EBITDA (maximum of 4.00:1)	2.05:1
Interest coverage (minimum of 3.00:1)	38.47:1

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	**$ 246,939**	$ -	$ 246,939	$ -	$ -
Lease obligations	**77,562**	14,836	28,586	17,994	16,146
Deferred consideration payables	**11,139**	7,598	3,541	-	-
Contingent consideration payables	**200**	-	200	-	-
Due to GeoVerra	**314**	314	-	-	-
Other liabilities	**129,727**	109,987	7,611	977	11,152
Total contractual obligations	**$ 465,881**	$ 132,735	$ 286,877	$ 18,971	$ 27,298

(1) Contractual obligations exclude aggregate unfunded capital contributions of $2.3 million to certain partnerships as the amount and timing of such payments are uncertain.

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	**Three months ended September 30,**		**Nine months ended September 30,**	
In thousands of dollars	**2021**	2020 (1)	**2021**	2020 (1)
Property, plant and equipment additions	$ 1,644	$ 988	$ 3,374	$ 2,648
Intangibles additions	941	-	3,208	66
Proceeds from disposal of property, plant and equipment and intangibles	-	-	-	(96)
Capital expenditures	$ 2,585	$ 988	$ 6,582	$ 2,618

(1) Capital expenditures related to the Geomatics discontinued operations for the three and nine months ended September 30, 2020 were $nil and $0.3 million, respectively. The Geomatics discontinued operations was contributed into the GeoVerra joint venture in the second quarter of 2020.

Reconciliation of Adjusted EBITDA to Profit (Loss)

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

	Three months ended September 30,		Nine months ended September 30,	
In thousands of dollars	**2021**	2020	**2021**	2020
Adjusted EBITDA	$ 24,415	$ 24,047	$ 83,894	$ 72,194
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 (1)	3,294	3,023	9,722	9,259
Depreciation of right-of-use assets	(3,100)	(2,818)	(8,910)	(8,504)
Depreciation of property, plant and equipment and amortization of intangibles	(8,712)	(7,291)	(24,648)	(22,893)
Acquisition and related transition (costs) income	(1,032)	(72)	(8,112)	1,104
Unrealized foreign exchange gain (loss) (2)	(507)	281	(1,249)	217
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles (2)	5	21	248	(3)
Share of profit (loss) of joint venture	927	442	442	450
Non-cash share-based compensation costs (3)	(5,865)	(4,260)	(13,277)	(8,128)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged (3)	829	2,463	1,005	1,766
Restructuring (costs) recovery	(32)	(1,155)	(253)	(8,610)
Gain (loss) on investments (4)	1,336	(68)	1,839	22
Impairment charge - leases	-	-	-	(36)
Other non-operating and/or non-recurring income (costs) (5)	(7,611)	(609)	(8,573)	(1,798)
Earnings (loss) from continuing operations before finance costs and income taxes	3,947	14,004	32,128	35,040
Finance (costs) income, net - leases	(552)	(619)	(1,704)	(1,910)
Finance (costs) income, net - other	(1,297)	(835)	(2,808)	(3,422)
Profit (loss) from continuing operations before income taxes	2,098	12,550	27,616	29,708
Income tax (expense) recovery	(2,393)	(3,253)	(8,933)	(7,321)
Profit (loss) for the period from continuing operations	$ (295)	$ 9,297	$ 18,683	$ 22,387
Profit (loss) for the period from discontinued operations	-	(130)	-	(5,300)
Profit (loss) for the period	$ (295)	$ 9,167	$ 18,683	$ 17,087

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

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

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

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

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

Reconciliation of Adjusted Earnings (Loss) Per Share to Profit (Loss)

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

	Three months ended September 30,		Nine months ended September 30,	
In thousands of dollars, except for per share amounts	**2021**	2020	**2021**	2020
Profit (loss) for the period	$ (295)	$ 9,167	$ 18,683	$ 17,087
(Profit) loss for the period from discontinued operations	-	130	-	5,300
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 [(1)]	(3,294)	(3,023)	(9,722)	(9,259)
Depreciation of right-of-use assets	3,100	2,818	8,910	8,504
Finance costs (income), net - leases	552	619	1,704	1,910
Amortization of intangibles of acquired businesses	7,293	5,604	20,781	17,809
Unrealized foreign exchange loss (gain)	507	(281)	1,249	(217)
Loss (gain) on disposal of right-of-use assets, property, plant and equipment and intangibles	(5)	(21)	(248)	3
Non-cash share-based compensation costs	5,865	4,260	13,277	8,128
Loss (gain) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged	(829)	(2,463)	(1,005)	(1,766)
Interest accretion on contingent consideration payables	-	-	-	102
Restructuring costs (recovery)	32	1,155	253	8,610
Loss (gain) on hedging transactions, including currency forward contracts and interest expense (income) on swaps	-	-	-	138
Acquisition and related transition costs (income)	1,032	72	8,112	(1,104)
Loss (gain) on investments	(1,336)	68	(1,839)	(22)
Share of loss (profit) of joint venture	(927)	(442)	(442)	(450)
Impairment charge - leases	-	-	-	36
Other non-operating and/or non-recurring costs (income)	7,611	609	8,573	1,798
Tax impact on above	(2,874)	(1,845)	(6,816)	(6,903)
Adjusted earnings (loss) for the period	$ 16,432	$ 16,427	$ 61,470	$ 49,704
Weighted average number of shares - basic	41,158,776	40,240,402	40,922,098	40,084,289
Weighted average number of restricted shares	652,544	338,736	546,363	353,206
Weighted average number of shares - adjusted	41,811,320	40,579,138	41,468,461	40,437,495
Adjusted earnings (loss) per share	$0.39	$0.40	$1.48	$1.23

(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.

Summary of Quarterly Results

	2021			2020					2019	
In thousands of dollars, except for per share amounts	**Sep 30**	Jun 30	Mar 31	Fiscal 2020	Dec 31	Sep 30	Jun 30	Mar 31	Fiscal 2019	Dec 31
Results of Operations										
Revenues	$ 151,797	$ 173,523	$ 137,158	$ 561,156	$ 139,480	$ 134,950	$ 155,470	$ 131,256	$ 525,717	$ 138,451
Adjusted EBITDA	$ 24,415	$ 42,239	$ 17,240	$ 98,928	$ 26,734	$ 24,047	$ 34,899	$ 13,248	$ 84,709	$ 22,331
Adjusted EBITDA margin	16.1%	24.3%	12.6%	17.6%	19.2%	17.8%	22.4%	10.1%	16.1%	16.1%
Profit (loss) for the period from continuing operations	$ (295)	$ 16,341	$ 2,637	$ 27,009	$ 4,622	$ 9,297	$ 11,333	$ 1,757	$ 23,891	$ 6,118
Profit (loss) for the period from discontinued operations	$ -	$ -	$ -	$ (5,576)	$ (276)	$ (130)	$ 266	$ (5,436)	$ (5,697)	$ (5,846)
Basic earnings (loss) per share:										
Continuing operations	$(0.01)	$0.40	$0.07	$0.67	$0.11	$0.23	$0.28	$0.04	$0.61	$0.15
Discontinued operations	$0.00	$0.00	$0.00	$(0.14)	$(0.01)	$0.00	$0.01	$(0.14)	$(0.14)	$(0.15)
Diluted earnings (loss) per share:										
Continuing operations	$(0.01)	$0.39	$0.06	$0.66	$0.11	$0.22	$0.28	$0.04	$0.60	$0.15
Discontinued operations	$0.00	$0.00	$0.00	$(0.14)	$(0.01)	$0.00	$0.01	$(0.13)	$(0.14)	$(0.14)
Adjusted earnings (loss) per share	$0.39	$0.75	$0.34	$1.67	$0.44	$0.40	$0.62	$0.20	$1.43	$0.42
Weighted average number shares ('000s):										
Basic	41,159	41,049	40,552	40,159	40,380	40,240	40,115	39,896	39,461	39,787
Diluted	41,159	42,116	41,642	41,209	41,532	41,348	41,039	40,869	40,084	40,653

Our global Property Tax practice (which made up approximately 39% of total consolidated revenues in Q3 2021) is subject to seasonal and cyclical variations which may impact overall quarterly results, which could potentially be more pronounced during the COVID-19 pandemic. Significant fluctuations on a quarterly basis arise as a result of the 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 seven-year cycles). We also experience some seasonal peaks in the U.K. and U.S. markets. In the U.K., the second quarter benefits from annuity billing starting in the second year of a new cycle, and in the U.S. we tend to experience higher volumes of settlements in the second and third quarters. We perform annuity billing in the U.K. for a significant number of our contracts that occur each April starting in the second year of the cycle. The revenues from the annuity billings are expected to grow cumulatively over the cycle as more cases are settled and as the volume of billable clients increases concurrent with case settlements. 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 and therefore tends to have lower earnings than later in the cycles when more settlements are made and those revenues flow directly to the bottom line.

Share Data

As at November 8, 2021, 44,042,246 common shares were outstanding and are net of 676,092 treasury shares. These treasury shares are shares held by Altus Group, which are subject to restrictive covenants and may or may not vest for employees. 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 September 30, 2021, there were 1,532,961 share options outstanding (December 31, 2020 - 1,791,682 share options outstanding) at a weighted average exercise price of $40.93 per share (December 31, 2020 - $35.78 per share) and 476,082 share options were exercisable (December 31, 2020 - 453,517). 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 three and nine months ended September 30, 2021, 15,951 and 47,978 common shares, respectively (2020 - 19,697 and 39,560 common shares, respectively) were issued under the DRIP.

Financial Instruments and Other Instruments

Financial instruments held in the normal course of business included in our unaudited interim condensed consolidated balance sheet as at September 30, 2021 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 September 30, 2021 was approximately $23.0 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.

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 September 30, 2021, we have equity derivatives relating to RSUs and DSUs outstanding with a notional amount of $14.5 million. The net fair value of these derivatives is $16.8 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. In addition, the COVID-19 pandemic has introduced additional credit risk. 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.

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 interim 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.

Changes in Significant Accounting Policies and Estimates

In March 2020, the World Health Organization declared COVID-19 a global pandemic. The continued spread of this contagious disease outbreak and related public health developments have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn and to legislative and regulatory changes that have impacted our business and operations. The duration and magnitude of the impact of the outbreak and its potential adverse effects on our business or results of operations continue to be uncertain and will depend on future developments. Judgments made in the September 30, 2021 interim financial statements reflect management's best estimates as of the period end, taking into consideration the most significant judgments that may be directly impacted by COVID-19. Management's significant estimates and assumptions that could be impacted most by COVID-19 are: revenue recognition and determination and allocation of the transaction price, impairment of trade receivables and contract assets, and estimated impairment of goodwill.

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

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 interim 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 limited the scope of the design of DC&P and ICFR, consistent with previous practice, to exclude controls, policies and procedures of PTA acquired on December 1, 2020, Finance Active acquired on April 1, 2021 and StratoDem Analytics acquired on May 4, 2021.

Financial information of the businesses acquired is summarized below.

Income statement data for PTA:

In thousands of dollars	Three months ended September 30, 2021	Nine months ended September 30, 2021
Revenues	$ 1,447	$ 4,265
Expenses	(2,175)	(6,874)
Profit (loss)	(728)	(2,609)
Adjusted EBITDA	310	492

Balance sheet data for Finance Active:

In thousands of dollars	September 30, 2021
Assets	$ 184,556
Liabilities	(43,635)
Equity	140,921

Income statement data for Finance Active:

In thousands of dollars	Three months ended September 30, 2021	Nine months ended September 30, 2021
Revenues	$ 8,691	$ 16,778
Expenses	(10,356)	(20,734)
Profit (loss)	(1,665)	(3,956)
Adjusted EBITDA	1,903	2,330

Income statement data for StratoDem Analytics:

In thousands of dollars	Three months ended September 30, 2021	Nine months ended September 30, 2021
Revenues	$ 116	$ 240
Expenses	(4,148)	(4,693)
Profit (loss)	(4,032)	(4,453)
Adjusted EBITDA	(342)	(478)

There have been no significant changes in our internal controls over financial reporting that occurred for the quarter ended September 30, 2021, 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 interim financial statements as at and for the three and nine months ended September 30, 2021.

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

Interim Condensed Consolidated Financial Statements
September 30, 2021 and 2020
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

Altus Group Limited

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

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

	Notes	Three months ended September 30 2021	Three months ended September 30 2020	Nine months ended September 30 2021	Nine months ended September 30 2020
Revenues	5	**$ 151,797**	$ 134,950	**$ 462,478**	$ 421,676
Expenses					
Employee compensation		**99,274**	84,889	**294,121**	265,882
Occupancy		**1,922**	1,712	**5,818**	5,697
Office and other operating		**36,041**	23,383	**90,769**	76,626
Depreciation of right-of-use assets		**3,100**	2,818	**8,910**	8,504
Depreciation of property, plant and equipment		**1,419**	1,451	**3,867**	4,178
Amortization of intangibles		**7,293**	5,840	**20,781**	18,715
Acquisition and related transition costs (income)		**1,032**	72	**8,112**	(1,104)
Share of (profit) loss of joint venture		**(927)**	(442)	**(442)**	(450)
Restructuring costs (recovery)	10	**32**	1,155	**253**	8,610
(Gain) loss on investments		**(1,336)**	68	**(1,839)**	(22)
Finance costs (income), net - leases	6	**552**	619	**1,704**	1,910
Finance costs (income), net - other	6	**1,297**	835	**2,808**	3,422
Profit (loss) from continuing operations before income taxes		**2,098**	12,550	**27,616**	29,708
Income tax expense (recovery)	7	**2,393**	3,253	**8,933**	7,321
Profit (loss) for the period from continuing operations		**$ (295)**	$ 9,297	**$ 18,683**	$ 22,387
Profit (loss) for the period from discontinued operations		**-**	(130)	**-**	(5,300)
Profit (loss) for the period attributable to shareholders		**$ (295)**	$ 9,167	**$ 18,683**	$ 17,087
Other comprehensive income (loss):					
Items that may be reclassified to profit or loss in subsequent periods:					
Currency translation differences		**4,717**	(250)	**(3,425)**	8,422
Items that are not reclassified to profit or loss in subsequent periods:					
Change in fair value of FVOCI investments, net of tax		**173**	-	**2,272**	(987)
Other comprehensive income (loss), net of tax		**4,890**	(250)	**(1,153)**	7,435
Total comprehensive income (loss) for the period, net of tax, attributable to shareholders		**$ 4,595**	$ 8,917	**$ 17,530**	$ 24,522
Earnings (loss) per share attributable to the shareholders of the Company during the period					
Basic earnings (loss) per share:					
Continuing operations	14	**$(0.01)**	$0.23	**$0.46**	$0.56
Discontinued operations	14	**$0.00**	$0.00	**$0.00**	$(0.13)
Diluted earnings (loss) per share:					
Continuing operations	14	**$(0.01)**	$0.22	**$0.44**	$0.54
Discontinued operations	14	**$0.00**	$0.00	**$0.00**	$(0.13)

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

Altus Group Limited

Interim Condensed Consolidated Balance Sheets
As at September 30, 2021 and December 31, 2020
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Notes	September 30, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents		$ 66,368	$ 69,637
Trade receivables and other	8	223,504	193,072
Income taxes recoverable		1,653	3,385
Derivative financial instruments		4,613	2,477
		296,138	268,571
Non-current assets			
Trade receivables and other	8	1,546	1,370
Derivative financial instruments		12,179	8,800
Investments	9	18,869	10,356
Investment in joint venture		15,751	15,309
Deferred tax assets		19,979	19,930
Right-of-use assets		59,874	51,690
Property, plant and equipment		20,275	20,376
Intangibles		176,105	77,928
Goodwill		338,292	261,070
		662,870	466,829
Total Assets		$ 959,008	$ 735,400
Liabilities			
Current liabilities			
Trade payables and other	10	$ 167,186	$ 140,294
Income taxes payable		2,666	1,190
Lease liabilities		13,065	11,700
		182,917	153,184
Non-current liabilities			
Trade payables and other	10	22,323	17,206
Lease liabilities		58,044	51,883
Borrowings	11	246,425	122,432
Deferred tax liabilities		30,625	7,246
Non-controlling interest	4	2,797	-
		360,214	198,767
Total Liabilities		543,131	351,951
Shareholders' Equity			
Share capital	12	556,245	529,866
Contributed surplus		37,681	30,428
Accumulated other comprehensive income (loss)		39,638	40,791
Retained earnings (deficit)		(217,687)	(217,636)
Total Shareholders' Equity		415,877	383,449
Total Liabilities and Shareholders' Equity		$ 959,008	$ 735,400

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

Altus Group Limited

Interim Condensed Consolidated Statements of Changes in Equity
For the Nine Months Ended September 30, 2021 and 2020
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Notes	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholders' Equity
As at January 1, 2020		$ 509,646	$ 24,447	$ 40,245	$ (214,686)	$ 359,652
Profit (loss) for the period		-	-	-	17,087	17,087
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	8,422	-	8,422
Change in fair value of FVOCI investments		-	-	(987)	-	(987)
Total comprehensive income (loss) for the period		-	-	7,435	17,087	24,522
Transactions with owners:						
Dividends declared		-	-	-	(18,257)	(18,257)
Share-based compensation		-	12,140	-	-	12,140
Dividend Reinvestment Plan		1,553	-	-	-	1,553
Shares issued on exercise of options		13,354	(2,037)	-	-	11,317
Shares issued for share-based compensation		2,608	(2,098)	-	-	510
Treasury shares reserved for share-based compensation		(4,527)	-	-	-	(4,527)
Release of treasury shares		5,053	(4,871)	-	-	182
Gain (loss) on sale of RSs and shares held in escrow		-	8	-	-	8
		18,041	3,142	-	(18,257)	2,926
As at September 30, 2020		$ 527,687	$ 27,589	$ 47,680	$ (215,856)	$ 387,100
As at January 1, 2021		$ 529,866	$ 30,428	$ 40,791	$ (217,636)	$ 383,449
Profit (loss) for the period		-	-	-	18,683	18,683
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	(3,425)	-	(3,425)
Change in fair value of FVOCI investments		-	-	2,272	-	2,272
Total comprehensive income (loss) for the period		-	-	(1,153)	18,683	17,530
Transactions with owners:						
Dividends declared	15	-	-	-	(18,734)	(18,734)
Share-based compensation	13	-	16,596	-	-	16,596
Dividend Reinvestment Plan	12	2,600	-	-	-	2,600
Shares issued on exercise of options	12, 13	14,094	(2,144)	-	-	11,950
Shares issued for share-based compensation	12, 13	23,171	(2,585)	-	-	20,586
Treasury shares reserved for share-based compensation	12, 13	(26,811)	-	-	-	(26,811)
Shares issued on acquisition	12, 13	8,362	-	-	-	8,362
Release of treasury shares	12, 13	4,963	(4,689)	-	-	274
Gain (loss) on sale of RSs and shares held in escrow		-	75	-	-	75
		26,379	7,253	-	(18,734)	14,898
As at September 30, 2021		**$ 556,245**	**$ 37,681**	**$ 39,638**	**$ (217,687)**	**$ 415,877**

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

Altus Group Limited

Interim Condensed Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2021 and 2020
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

		Nine months ended September 30	
	Notes	2021	2020
Cash flows from operating activities			
Profit (loss) from continuing operations before income taxes		$ 27,616	$ 29,708
Profit (loss) from discontinued operations before income taxes		-	(5,300)
Profit (loss) before income taxes		$ 27,616	$ 24,408
Adjustments for:			
Depreciation of right-of-use assets		8,910	8,556
Depreciation of property, plant and equipment		3,867	4,289
Amortization of intangibles		20,781	18,716
Finance costs (income), net - leases	6	1,704	1,975
Finance costs (income), net - other	6	2,808	3,408
Share-based compensation	13	16,596	12,140
Unrealized foreign exchange (gain) loss		1,249	(217)
(Gain) loss on investments		(1,839)	(22)
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles		(248)	69
(Gain) loss on derivatives		(5,515)	(6,803)
Share of (profit) loss of joint venture		(442)	(450)
Impairment charge - leases		-	36
Fair value loss (gain) on net assets directly associated with discontinued operations		-	5,224
(Gain) loss on sale of the discontinued operations		-	(483)
Net changes in operating working capital		(13,895)	(19,449)
Net cash generated by (used in) operations		61,592	51,397
Less: interest paid on borrowings		(2,313)	(2,898)
Less: interest paid on leases		(1,704)	(1,975)
Less: income taxes paid		(14,834)	(9,249)
Add: income taxes refunded		2,794	2,331
Net cash provided by (used in) operating activities		45,535	39,606
Cash flows from financing activities			
Proceeds from exercise of options	12, 13	11,950	11,317
Financing fees paid		(136)	(710)
Proceeds from borrowings	11	148,113	38,135
Repayment of borrowings	11	(22,606)	(22,765)
Payments of principal on lease liabilities		(8,671)	(10,974)
Dividends paid	15	(15,971)	(16,628)
Treasury shares purchased for share-based compensation	12, 13	(6,150)	(4,017)
Net cash provided by (used in) financing activities		106,529	(5,642)
Cash flows from investing activities			
Purchase of investments	9	(3,512)	(259)
Cash contribution to investment in joint venture		-	(1,190)
Purchase of intangibles		(3,208)	(66)
Purchase of property, plant and equipment		(3,374)	(2,648)
Proceeds from disposal of property, plant and equipment and intangibles		-	96
Proceeds from investment		307	-
Acquisitions, net of cash acquired		(143,850)	-
Net cash provided by (used in) investing activities		(153,637)	(4,067)
Effect of foreign currency translation		(1,696)	951
Net increase (decrease) in cash and cash equivalents		(3,269)	30,848
Cash and cash equivalents, beginning of period		69,637	60,262
Cash and cash equivalents, end of period		$ 66,368	$ 91,110

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

1. Business and Structure

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

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

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

2. Basis of Preparation

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

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

These interim financial statements were approved by the Board of Directors for issue on November 11, 2021.

3. Critical Accounting Estimates and Judgments

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

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

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

4. Acquisitions

Acquisition of Finance Active SAS

On April 1, 2021, the Company acquired all of the issued and outstanding shares of Finance Active SAS ("Finance Active") and its subsidiaries for approximately EUR106,524 (CAD157,288) including a working capital payable of EUR96 (CAD141). On closing, the Company paid a total of EUR89,211 (CAD131,866) in cash, funded by drawing down on the Company's credit facilities. In addition, the Company issued 303,177 common shares to the selling shareholders and certain members of Finance Active's management team valued at EUR12,410 (CAD18,324) from treasury. These common shares will be held in escrow and will vest and be released over two- or three-year periods on each anniversary of the closing date, subject to compliance with certain terms and conditions. Of the shares issued, 156,405 valued at EUR6,402 (CAD9,453) are also subject to continued employment over the vesting period. As part of the purchase price, EUR4,807 (CAD7,098) is also payable in cash over 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 is integrating with the Company's Altus Analytics business.

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

4. Acquisitions, cont'd

Acquisition of StratoDem Analytics

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

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

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 will be 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 Advisory services in Ontario, Canada. Based in Canada, the ArGil team has integrated with the Company's Property Tax business.

4. 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.

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

4. Acquisitions, cont'd

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

				September 30, 2021
	Finance Active	StratoDem Analytics	ArGil	**Total**
Acquisition-related costs (included in acquisition and related transition costs (income) in the consolidated statements of comprehensive income (loss))	$ 6,587	$ 802	$ 109	**$ 7,498**
Consideration:				
Cash (including working capital payable)	$ 131,866	$ 19,596	$ 3,548	**$ 155,010**
Common shares	18,324	10,320	2,400	**31,044**
Deferred consideration	7,098	-	-	**7,098**
Contingent consideration	-	-	200	**200**
	157,288	29,916	6,148	**193,352**
Less: common shares subject to be recognized as employee compensation expense	(9,453)	(8,738)	(2,400)	**(20,591)**
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)**
	143,490	20,862	3,721	**168,073**
Less: consideration transferred for non-compete agreements	(738)	(2,146)	(164)	**(3,048)**
Consideration transferred for acquired business	142,752	18,716	3,557	**165,025**
Recognized amounts of identifiable assets acquired and liabilities assumed:				
Cash and cash equivalents	11,160	-	-	**11,160**
Trade receivables and other	10,585	14	2,398	**12,997**
Investment in equity instruments	155	-	-	**155**
Property, plant and equipment	749	6	6	**761**
Trade payables and other	(22,774)	(270)	-	**(23,044)**
Right-of-use assets	4,756	-	-	**4,756**
Intangibles	105,721	7,262	562	**113,545**
Lease liabilities	(4,511)	-	-	**(4,511)**
Deferred taxes, net	(27,805)	-	-	**(27,805)**
Non-controlling interest	(2,805)	-	-	**(2,805)**
Total identifiable net assets of acquired business	75,231	7,012	2,966	**85,209**
Goodwill	$ 67,521	$ 11,704	$ 591	**$ 79,816**
Goodwill and intangibles expected to be deductible for tax purposes	$ -	$ 30,149	$ 3,744	**$ 33,893**

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

4. **Acquisitions,** cont'd

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

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

Intangibles acquired are as follows:

				September 30, 2021
	Finance Active	StratoDem Analytics	ArGil	**Total**
Finite life assets				
Brands of acquired businesses	$ 12,846	$ -	$ -	**$ 12,846**
Customer lists	62,163	446	415	**63,024**
Custom application software	30,712	6,590	-	**37,302**
Customer backlog	-	226	147	**373**
Non-compete agreements	738	2,146	164	**3,048**
	$ 106,459	$ 9,408	$ 726	**$ 116,593**

Revenues and profit (loss) for Finance Active for the period from April 1, 2021 to September 30, 2021 included in the consolidated statements of comprehensive income (loss) are $16,778 and $(3,956), respectively.

Revenues and profit (loss) for StratoDem Analytics for the period from May 4, 2021 to September 30, 2021 included in the consolidated statements of comprehensive income (loss) are $240 and $(4,459), respectively.

ArGil has been fully integrated into the operations of Property Tax and the stand-alone revenues and profit (loss) could not be determined.

5. Segmented Information

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

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

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

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

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

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

5. Segmented Information, cont'd

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

	Three months ended September 30		Nine months ended September 30	
	2021	2020	**2021**	2020
Adjusted EBITDA	**$ 24,415**	$ 24,047	**$ 83,894**	$ 72,194
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 (1)	**3,294**	3,023	**9,722**	9,259
Depreciation of right-of-use assets	**(3,100)**	(2,818)	**(8,910)**	(8,504)
Depreciation of property, plant and equipment and amortization of intangibles	**(8,712)**	(7,291)	**(24,648)**	(22,893)
Acquisition and related transition (costs) income	**(1,032)**	(72)	**(8,112)**	1,104
Unrealized foreign exchange gain (loss) (2)	**(507)**	281	**(1,249)**	217
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles (2)	**5**	21	**248**	(3)
Share of profit (loss) of joint venture	**927**	442	**442**	450
Non-cash share-based compensation costs (3)	**(5,865)**	(4,260)	**(13,277)**	(8,128)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged (3)	**829**	2,463	**1,005**	1,766
Restructuring (costs) recovery	**(32)**	(1,155)	**(253)**	(8,610)
Gain (loss) on investments (4)	**1,336**	(68)	**1,839**	22
Impairment charge - leases	**-**	-	**-**	(36)
Other non-operating and/or non-recurring income (costs) (5)	**(7,611)**	(609)	**(8,573)**	(1,798)
Earnings (loss) from continuing operations before finance costs and income taxes	**3,947**	14,004	**32,128**	35,040
Finance (costs) income, net - leases	**(552)**	(619)	**(1,704)**	(1,910)
Finance (costs) income, net - other	**(1,297)**	(835)	**(2,808)**	(3,422)
Profit (loss) from continuing operations before income taxes	**2,098**	12,550	**27,616**	29,708
Income tax (expense) recovery	**(2,393)**	(3,253)	**(8,933)**	(7,321)
Profit (loss) for the period from continuing operations	**$ (295)**	$ 9,297	**$ 18,683**	$ 22,387
Profit (loss) for the period from discontinued operations	**-**	(130)	**-**	(5,300)
Profit (loss) for the period	**$ (295)**	$ 9,167	**$ 18,683**	$ 17,087

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

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

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

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

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

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

5. **Segmented Information,** cont'd

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

Segment Revenues and Expenditures

							Three months ended September 30, 2021
	Altus Analytics	Commercial Real Estate Consulting			Corporate (1)	Eliminations	**Total**
		Property Tax	Valuation and Cost Advisory	Total			
Revenues from external customers	$ 64,963	$ 58,488	$ 28,346	$ 86,834	$ -	$ -	**$ 151,797**
Inter-segment revenues	138	-	(63)	(63)	-	(75)	**-**
Total segment revenues	65,101	58,488	28,283	86,771	-	(75)	**151,797**
Adjusted EBITDA (2)	11,728	18,596	3,882	22,478	(9,791)	-	**24,415**
Depreciation of right-of-use assets	1,592	747	610	1,357	151	-	**3,100**
Depreciation of property, plant and equipment and amortization of intangibles	4,803	3,319	371	3,690	219	-	**8,712**
Finance costs (income), net - leases	121	172	116	288	143	-	**552**
Finance costs (income), net - other	-	-	-	-	1,297	-	**1,297**
Income tax expense (recovery)	-	-	-	-	2,393	-	**2,393**

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

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

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

5. Segmented Information, cont'd

	Three months ended September 30, 2020						
	Altus Analytics	Commercial Real Estate Consulting			Corporate [1]	Eliminations	Total
		Property Tax	Valuation and Cost Advisory	Total			
Revenues from external customers	$ 49,078	$ 58,214	$ 27,658	$ 85,872	$ -	$ -	$ 134,950
Inter-segment revenues	99	1	(24)	(23)	-	(76)	-
Total segment revenues	49,177	58,215	27,634	85,849	-	(76)	134,950
Adjusted EBITDA [2]	9,588	18,270	3,904	22,174	(7,715)	-	24,047
Depreciation of right-of-use assets	1,188	780	693	1,473	157	-	2,818
Depreciation of property, plant and equipment and amortization of intangibles	3,304	3,131	469	3,600	387	-	7,291
Finance costs (income), net - leases	128	183	152	335	156	-	619
Finance costs (income), net - other	-	-	-	-	835	-	835
Income tax expense (recovery)	-	-	-	-	3,253	-	3,253

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

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

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

5. **Segmented Information,** cont'd

							Nine months ended September 30, 2021
	Altus Analytics	Commercial Real Estate Consulting			Corporate [1]	Eliminations	**Total**
		Property Tax	Valuation and Cost Advisory	Total			
Revenues from external customers	$ 178,314	$ 199,848	$ 84,316	$ 284,164	$ -	$ -	**$ 462,478**
Inter-segment revenues	363	3	(140)	(137)	-	(226)	**-**
Total segment revenues	178,677	199,851	84,176	284,027	-	(226)	**462,478**
Adjusted EBITDA [2]	30,869	69,394	10,492	79,886	(26,861)	-	**83,894**
Depreciation of right-of-use assets	4,368	2,216	1,886	4,102	440	-	**8,910**
Depreciation of property, plant and equipment and amortization of intangibles	13,446	9,568	967	10,535	667	-	**24,648**
Finance costs (income), net - leases	366	513	374	887	451	-	**1,704**
Finance costs (income), net - other	-	-	-	-	2,808	-	**2,808**
Income tax expense (recovery)	-	-	-	-	8,933	-	**8,933**

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

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

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

5. Segmented Information, cont'd

	Nine months ended September 30, 2020						
	Altus Analytics	Commercial Real Estate Consulting			Corporate (1)	Eliminations	Total
		Property Tax	Valuation and Cost Advisory	Total			
Revenues from external customers	$ 151,824	$ 187,683	$ 82,169	$ 269,852	$ -	$ -	**$ 421,676**
Inter-segment revenues	368	2	(141)	(139)	-	(229)	**-**
Total segment revenues	152,192	187,685	82,028	269,713	-	(229)	**421,676**
Adjusted EBITDA (2)	26,030	58,840	9,041	67,881	(21,717)	-	**72,194**
Depreciation of right-of-use assets	3,496	2,483	2,089	4,572	436	-	**8,504**
Depreciation of property, plant and equipment and amortization of intangibles	10,235	9,857	1,662	11,519	1,139	-	**22,893**
Finance costs (income), net - leases	393	571	471	1,042	475	-	**1,910**
Finance costs (income), net - other	-	-	-	-	3,422	-	**3,422**
Income tax expense (recovery)	-	-	-	-	7,321	-	**7,321**

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

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

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

6. Finance Costs (Income), Net

	Three months ended September 30		Nine months ended September 30	
	2021	2020	**2021**	2020
Interest on bank credit facilities	**$ 1,044**	$ 843	**$ 2,505**	$ 3,220
Interest on lease liabilities	**552**	619	**1,704**	1,910
Contingent consideration payables: unwinding of discount	**32**	-	**62**	102
Provisions: unwinding of discount (Note 10)	**-**	3	**5**	31
Interest - other	**234**	-	**293**	-
Change in fair value of interest rate swaps	**-**	-	**-**	138
Finance costs	**1,862**	1,465	**4,569**	5,401
Finance income	**(13)**	(11)	**(57)**	(69)
Finance costs (income), net	**$ 1,849**	$ 1,454	**$ 4,512**	$ 5,332

7. Income Taxes

	Three months ended September 30		Nine months ended September 30	
	2021	2020	**2021**	2020
Income tax expense (recovery)				
Current	**$ 5,810**	$ 4,079	**$ 15,001**	$ 8,579
Deferred	**(3,417)**	(826)	**(6,068)**	(1,258)
	$ 2,393	$ 3,253	**$ 8,933**	$ 7,321

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

8. Trade Receivables and Other

	September 30, 2021	December 31, 2020
Trade receivables	$ **163,050**	$ 145,427
Less: loss allowance provision	**(20,052)**	(16,869)
Trade receivables, net	**142,998**	128,558
Contract assets: unbilled revenue on customer contracts (1)	**59,006**	48,120
Deferred costs to obtain customer contracts	**1,594**	2,205
Prepayments	**15,803**	13,229
Due from related party (GeoVerra)	**1,755**	1,675
Other receivables	**3,894**	655
	225,050	194,442
Less: non-current portion	**(1,546)**	(1,370)
	$ **223,504**	$ 193,072

(1) On September 30, 2021, contract assets are stated net of expected credit losses of $883 (December 31, 2020 - $670).

For the three and nine months ended September 30, 2021, $731 and $1,733, respectively, of amortization associated with deferred costs to obtain customer contracts was expensed to the interim condensed consolidated statements of comprehensive income (loss) (2020 - $404 and $1,185, respectively). For the three and nine months ended September 30, 2021 and 2020, no impairment losses on deferred costs were recognized.

9. Investments

	September 30, 2021	December 31, 2020
Investments in equity instruments	$ **13,544**	$ 7,811
Investments in partnerships	**5,325**	2,545
	$ **18,869**	$ 10,356

During the nine months ended September 30, 2021, the Company purchased $2,153 of preferred shares and $148 of common shares as equity instruments (2020 - $nil) and contributed $1,211 towards capital in various partnerships (2020 - $259).

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

10. Trade Payables and Other

	September 30, 2021	December 31, 2020
Trade payables	$ **13,607**	$ 7,596
Accrued expenses	**100,998**	94,354
Contract liabilities: deferred revenue	**54,420**	43,032
Deferred consideration payables	**10,844**	47
Contingent consideration payables	**174**	-
Dividends payable (Note 15)	**6,287**	6,124
Provisions	**2,865**	6,018
Due to related party (GeoVerra)	**314**	329
	189,509	157,500
Less non-current portion:		
Accrued expenses	**17,092**	15,449
Contract liabilities: deferred revenue	**1,155**	681
Deferred consideration payables	**3,540**	-
Contingent consideration payables	**174**	-
Provisions	**362**	1,076
	22,323	17,206
	$ **167,186**	$ 140,294

Provisions consist of:

	Restructuring	Other	**Total**
Balance as at January 1, 2021	$ 5,800	$ 218	$ 6,018
Charged to profit or loss:			
Additional provisions, net of releases	253	(25)	228
Unwinding of discount (Note 6)	-	5	5
Used during the period	(3,346)	(4)	(3,350)
Exchange differences	(21)	(15)	(36)
Balance as at September 30, 2021	2,686	179	2,865
Less: non-current portion	(183)	(179)	(362)
	$ 2,503	**$ -**	**$ 2,503**

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

11. Borrowings

	September 30, 2021	December 31, 2020
Bank credit facilities	**$ 246,939**	$ 123,000
Less: deferred financing fees	**(514)**	(568)
	$ 246,425	$ 122,432

Amendments to bank credit facilities

The Company's bank credit agreement permits the Company to increase its bank credit facilities from $275,000 to $350,000. On September 24, 2021, the Company amended its bank credit facilities to further strengthen its financial and liquidity position. The amended credit facilities increase the Company's borrowing capacity to $315,000 from $275,000 with certain provisions that allow the Company to further increase the limit to $365,000.

In addition, in anticipation of the replacement of the LIBOR rates, interest rates under the Company's credit facilities that were benchmarked to LIBOR rates have been amended to be benchmarked to SONIA, SOFR and €STR rates.

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

	September 30, 2021
Funded debt to EBITDA (maximum of 4.00:1)	**2.05:1**
Interest coverage (minimum of 3.00:1)	**38.47:1**

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

12. Share Capital

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

		Common Shares	
	Number of Shares		Amount
Balance as at January 1, 2021	40,429,117	$	529,866
Issued on exercise of options (Note 13)	418,349		14,094
Issued under the Dividend Reinvestment Plan	47,978		2,600
Issued for share-based compensation (Note 13)	448,250		23,171
Treasury shares reserved for share-based compensation (Note 13)	(398,873)		(26,811)
Shares issued on acquisition	172,115		8,362
Release of treasury shares (Note 13)	118,365		4,963
Balance as at September 30, 2021	**41,235,301**	**$**	**556,245**

The 41,235,301 common shares as at September 30, 2021 are net of 676,092 treasury shares with a carrying value of $41,386 that are being held by the Company until vesting conditions are met (Note 13).

13. Share-based Compensation

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

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

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

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

	Number of Options Outstanding	Weighted Average Exercise Price
Balance as at January 1, 2021	1,791,682	$35.78
Granted	226,891	$58.95
Exercised	(418,349)	$28.59
Expired/Forfeited	(67,263)	$41.21
Balance as at September 30, 2021	**1,532,961**	**$40.93**

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

13. Share-based Compensation, cont'd

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

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Exercisable
$19.67 - $29.72	299,039	1.98 years	153,619
$30.70 - $37.93	408,941	2.04 years	198,200
$45.11 - $52.84	606,631	3.59 years	124,263
$56.49 - $65.67	218,350	4.53 years	-
$40.93	**1,532,961**	**3.00 years**	**476,082**

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

	2021
Risk-free interest rate	0.77% - 0.78%
Expected dividend yield	1.0%
Expected volatility	30.11% - 32.92%
Expected option life	3.00 - 4.50 years
Weighted average exercise price	$58.95
Weighted average grant-date fair value per option	$11.39 - $15.38

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

	Number of common shares
Balance as at January 1, 2021	116,309
Settled	(60,790)
Forfeited	(2,520)
Balance as at September 30, 2021	**52,999**

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

13. Share-based Compensation, cont'd

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

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

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

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

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

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

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

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

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

13. Share-based Compensation, cont'd

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

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

	Number of RSs
Balance as at January 1, 2021 (all unvested)	-
Granted	19,316
Balance as at September 30, 2021 (all unvested)	**19,316**

In 2021, the Company granted a total value of $1,982 under the LTIRS Plan and purchased 19,316 common shares in the open market (through the facilities of the TSX or by private agreement).

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

	Number of RSUs
Balance as at January 1, 2021 (all unvested)	-
Granted	55,419
Settled	(475)
Forfeited	(2,122)
Balance as at September 30, 2021 (all unvested)	**52,822**

(iii) Deferred Compensation Plans

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

	Number of RSs
Balance as at January 1, 2021 (all unvested)	194,654
Granted	43,152
Settled	(52,053)
Forfeited	(2,994)
Balance as at September 30, 2021 (all unvested)	**182,759**

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

13. 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 (through the facilities of the TSX or by private agreement).

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

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

	Number of RSUs
Balance as at January 1, 2021 (all unvested)	302,325
Granted	81,060
Settled	(89,259)
Forfeited	(29,276)
Balance as at September 30, 2021 (all unvested)	**264,850**

(iv) Deferred Share Unit Plans

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

	Number of DSUs
Balance as at January 1, 2021	173,836
Granted	16,293
Balance as at September 30, 2021	**190,129**

(v) Other Share-Based Awards

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

	Number of common shares
Balances as at January 1, 2021	84,341
Granted	336,405
Balance as at September 30, 2021	**420,746**

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

13. Share-based Compensation, cont'd

(vi) Compensation Expense by Plan

	Three months ended September 30		Nine months ended September 30	
	2021	2020	**2021**	2020
Share Option Plan	**$ -**	$ 56	**$ -**	$ 82
Equity Compensation Plan	**145**	521	**524**	1,256
Long-Term Equity Incentive Plan	**1,832**	3,697	**5,135**	6,904
LTIRS Plan	**222**	-	**390**	-
LTIRSU Plan (1)	**249**	-	**442**	-
RS Plan	**964**	1,524	**2,928**	3,898
RSU Plan (2)	**2,143**	3,550	**5,571**	6,656
DSU Plans (3)	**955**	1,963	**3,148**	3,249
Other share-based awards	**3,889**	-	**7,618**	-

(1) For the three and nine months ended September 30, 2021, the Company recorded mark-to-market adjustments of $21 and $23, respectively (2020 - $nil and $nil, respectively).

(2) For the three and nine months ended September 30, 2021, the Company recorded mark-to-market adjustments of $891 and $3,158, respectively (2020 - $2,512 and $3,790, respectively).

(3) For the three and nine months ended September 30, 2021, the Company recorded mark-to-market adjustments of $536 and $1,897, respectively (2020 - $1,659 and $2,314, respectively).

For the three and nine months ended September 30, 2020, included in compensation expense above are amounts related to the Geomatics discontinued operations totalling $22 and $260, respectively.

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

	September 30, 2021	December 31, 2020
LTIRSU Plan	**$ 413**	$ -
RSU Plan	**11,945**	11,412
DSU Plans	**10,671**	7,537

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

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

14. Earnings (Loss) per Share

For the three months ended September 30, 2021, 1,532,961 share options and 675,820 restricted shares (including common shares issued in escrow as part of the LTIRS plan) and 441,851 PSUs were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive. For the nine months ended September 30, 2021, 218,350 share options and 19,487 restricted shares (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.

For the three and nine months ended September 30, 2020, 630,593 share options and 10,272 and 26,726 restricted shares, respectively, (including common shares issued in escrow as part of the Equity Compensation Plan and Long-Term Equity Incentive Plan) were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

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

	Three months ended September 30		Nine months ended September 30	
	2021	2020	**2021**	2020
Profit (loss) for the period from continuing operations - basic and diluted	**$ (295)**	$ 9,297	**$ 18,683**	$ 22,387
Profit (loss) for the period from discontinued operations - basic and diluted	**-**	(130)	**-**	(5,300)
Profit (loss) for the period - basic and diluted	**$ (295)**	$ 9,167	**$ 18,683**	$ 17,087
Weighted average number of common shares outstanding - basic	**41,158,776**	40,240,402	**40,922,098**	40,084,289
Dilutive effect of share options	**-**	421,874	**426,438**	360,721
Dilutive effect of equity awards and PSUs	**-**	476,289	**339,177**	447,076
Dilutive effect of restricted shares	**-**	209,434	**297,720**	227,961
Weighted average number of common shares outstanding - diluted	**41,158,776**	41,347,999	**41,985,433**	41,120,047
Earnings (loss) per share:				
Basic				
Continuing operations	**$(0.01)**	$0.23	**$0.46**	$0.56
Discontinued operations	**$0.00**	$0.00	**$0.00**	$(0.13)
Diluted				
Continuing operations	**$(0.01)**	$0.22	**$0.44**	$0.54
Discontinued operations	**$0.00**	$0.00	**$0.00**	$(0.13)

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

15. Dividends Payable

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

16. Financial Instruments and Fair Values

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

Financial Instruments by Category

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

	September 30, 2021			December 31, 2020		
	Fair Value Through Profit or Loss	Fair Value Through Other Comprehensive Income	Amortized Cost	Fair Value Through Profit or Loss	Fair Value Through Other Comprehensive Income	Amortized Cost
Assets as per Consolidated Balance Sheet:						
Cash and cash equivalents	**$ -**	**$ -**	**$ 66,368**	$ -	$ -	$ 69,637
Trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments)	**-**	**-**	**207,653**	-	-	179,008
Investments in equity instruments	**-**	**13,544**	**-**	-	7,811	-
Investments in partnerships	**5,325**	**-**	**-**	2,545	-	-
Derivative financial instruments	**16,792**	**-**	**-**	11,277	-	-
	$ 22,117	**$ 13,544**	**$ 274,021**	$ 13,822	$ 7,811	$ 248,645

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

16. Financial Instruments and Fair Values, cont'd

	September 30, 2021		December 31, 2020	
	Fair Value Through Profit or Loss	Amortized Cost	Fair Value Through Profit or Loss	Amortized Cost
Liabilities as per Consolidated Balance Sheet:				
Trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables, deferred consideration payables and contingent consideration payables)	**$ -**	**$ 101,042**	$ -	$ 95,472
Deferred consideration payables	**10,844**	**-**	47	-
Contingent consideration payables	**174**	**-**	-	-
Borrowings	**246,425**	**-**	-	122,432
	$ 257,443	**$ 101,042**	$ 47	$ 217,904

Fair Values

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

				September 30, 2021
	Level 1	Level 2	Level 3	**Total**
Assets:				
Investments in equity instruments	$ 4,812	$ -	$ 8,732	**$ 13,544**
Investments in partnerships	-	-	5,325	**5,325**
Derivative financial instruments	-	16,792	-	**16,792**
Liabilities:				
Borrowings	-	246,939	-	**246,939**
Deferred consideration payables	-	10,844	-	**10,844**
Contingent consideration payables	-	174	-	**174**

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

16. Financial Instruments and Fair Values, cont'd

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

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

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

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

17. Commitments and Contingencies

As at September 30, 2021, the Company provided letters of credit of approximately $1,089 to its lessors (December 31, 2020 - $1,107).

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

As at September 30, 2021, the Company has committed to aggregate capital contributions of $2,320 (Note 9) to certain partnerships (December 31, 2020 - $418).

17. Commitments and Contingencies, cont'd

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

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

18. Events After the Reporting Period

$172,546 bought deal equity financing
On October 4, 2021, the Company completed a $172,546 bought deal equity financing. A total of 2,783,000 common shares were sold pursuant to the Company's bought deal financing at a price of $62.00 per common share for gross proceeds of $172,546, including the full exercise of the underwriters' over-allotment option to purchase an additional 363,000 common shares at the same price.

Acquisition of Scryer, Inc. (d/b/a Reonomy) ("Reonomy")
On November 11, 2021, the Company signed a definitive agreement to acquire Reonomy, a fast growing, AI-powered data platform for the CRE industry, for USD201,500 (approximately CAD249,500) (on a cash-free debt-free basis), subject to adjustments.

On closing, the Company will pay USD198,500 (approximately CAD245,800) in cash, funded by cash on hand and borrowings under the Company's credit facilities. In addition, the Company will issue common shares to Reonomy's employees valued at USD3,000 (CAD3,700). These common shares will be held in escrow and will vest and be released equally over two years on each anniversary of the issuance date, subject to continued employment and compliance with certain terms and conditions.

Amendment to bank credit facilities
On November 4, 2021, the Company amended its bank credit facilities. The amended credit facilities increase the Company's borrowing capacity to $400,000 from $315,000 with certain provisions that allow the Company to further increase the limit to $450,000.

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Toronto Stock Exchange
Stock trading symbol: AIF

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