



**Altus Group**

# **Financial Statements**

## **Q1 2022**

For the three months ended March 31, 2022





**Interim Condensed Consolidated Financial Statements**  
**March 31, 2022 and 2021**  
**(Unaudited)**  
**(Expressed in Thousands of Canadian Dollars)**

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## Interim Condensed Consolidated Statements of Comprehensive Income (Loss) For the Three Months Ended March 31, 2022 and 2021 (Unaudited)

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

		Three months ended March 31	
	Notes	2022	2021
<b>Revenues</b>	5	\$ 167,584	\$ 137,158
<b>Expenses</b>			
Employee compensation		116,967	93,220
Occupancy		1,772	1,870
Office and other operating		36,083	23,697
Depreciation of right-of-use assets		3,204	2,768
Depreciation of property, plant and equipment		1,594	1,255
Amortization of intangibles		10,685	5,517
Acquisition and related transition costs (income)		1,861	5,182
Share of (profit) loss of joint venture		(606)	389
Restructuring costs (recovery)	10	8,356	(49)
(Gain) loss on investments		(166)	(188)
Finance costs (income), net - leases	6	497	570
Finance costs (income), net - other	6	1,479	578
<b>Profit (loss) before income taxes</b>		<b>(14,142)</b>	<b>2,349</b>
Income tax expense (recovery)	7	(2,686)	(288)
<b>Profit (loss) for the period</b>		<b>\$ (11,456)</b>	<b>\$ 2,637</b>
<b>Profit (loss) for the period attributable to:</b>			
Non-controlling interest		62	-
Shareholders of the Company		(11,518)	2,637
		<b>\$ (11,456)</b>	<b>\$ 2,637</b>
<b>Other comprehensive income (loss):</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Currency translation differences		(9,354)	(4,509)
Items that are not reclassified to profit or loss in subsequent periods:			
Changes in investments measured at fair value through other comprehensive income, net of tax		(862)	(258)
<b>Other comprehensive income (loss), net of tax</b>		<b>(10,216)</b>	<b>(4,767)</b>
<b>Total comprehensive income (loss) for the period, net of tax</b>		<b>\$ (21,672)</b>	<b>\$ (2,130)</b>
<b>Comprehensive income (loss) for the period, net of tax, attributable to:</b>			
Non-controlling interest		62	-
Shareholders of the Company		(21,734)	(2,130)
		<b>\$ (21,672)</b>	<b>\$ (2,130)</b>
<b>Earnings (loss) per share attributable to the shareholders of the Company during the period</b>			
Basic earnings (loss) per share	14	\$(0.26)	\$0.07
Diluted earnings (loss) per share	14	\$(0.26)	\$0.06

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

## Interim Condensed Consolidated Balance Sheets As at March 31, 2022 and December 31, 2021 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

	Notes	March 31, 2022	December 31, 2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 46,844	\$ 51,271
Trade receivables and other	8	212,724	223,315
Income taxes recoverable		7,236	3,280
Derivative financial instruments		1,731	5,868
		<b>268,535</b>	<b>283,734</b>
<b>Non-current assets</b>			
Trade receivables and other	8	2,527	2,818
Derivative financial instruments		9,324	15,661
Investments	9	19,585	20,806
Investment in joint venture		17,102	16,496
Deferred tax assets		22,964	24,089
Right-of-use assets		53,126	59,992
Property, plant and equipment		20,872	21,624
Intangibles		271,037	286,670
Goodwill		458,944	467,310
		<b>875,481</b>	<b>915,466</b>
<b>Total Assets</b>		<b>\$ 1,144,016</b>	<b>\$ 1,199,200</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables and other	10	\$ 162,589	\$ 193,388
Income taxes payable		1,988	2,629
Lease liabilities		13,228	13,914
		<b>177,805</b>	<b>209,931</b>
<b>Non-current liabilities</b>			
Trade payables and other	10	18,994	24,913
Lease liabilities		54,328	57,225
Borrowings	11	306,190	286,924
Deferred tax liabilities		27,135	27,864
Non-controlling interest		2,867	2,980
		<b>409,514</b>	<b>399,906</b>
<b>Total Liabilities</b>		<b>587,319</b>	<b>609,837</b>
<b>Shareholders' Equity</b>			
Share capital	12	725,011	726,325
Contributed surplus		39,430	42,364
Accumulated other comprehensive income (loss)		28,223	38,439
Other equity		(229)	(244)
Retained earnings (deficit)		(235,685)	(217,406)
<b>Equity attributable to the shareholders of the Company</b>		<b>556,750</b>	<b>589,478</b>
Non-controlling interest		(53)	(115)
<b>Total Shareholders' Equity</b>		<b>556,697</b>	<b>589,363</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>\$ 1,144,016</b>	<b>\$ 1,199,200</b>

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

Commitments and Contingencies (Note 17)

Events After the Reporting Period (Note 18)

## Interim Condensed Consolidated Statements of Changes in Equity

For the Three Months Ended March 31, 2022 and 2021

(Unaudited)

(Expressed in Thousands of Canadian Dollars)

	Notes	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Other Equity	Retained Earnings (Deficit)	Total	Non-controlling interest	Total Shareholders' Equity
<b>As at January 1, 2021</b>		\$ 529,866	\$ 30,428	\$ 40,791	\$ -	\$ (217,636)	\$ 383,449	\$ -	\$ 383,449
Profit (loss) for the period		-	-	-	-	2,637	2,637	-	2,637
Other comprehensive income (loss), net of tax:									
Currency translation differences		-	-	(4,509)	-	-	(4,509)	-	(4,509)
Changes in investments measured at fair value through other comprehensive income		-	-	(258)	-	-	(258)	-	(258)
<b>Total comprehensive income (loss) for the period</b>		-	-	(4,767)	-	2,637	(2,130)	-	(2,130)
Transactions with owners:									
Dividends declared		-	-	-	-	(6,181)	(6,181)	-	(6,181)
Share-based compensation		-	3,448	-	-	-	3,448	-	3,448
Dividend Reinvestment Plan		687	-	-	-	-	687	-	687
Shares issued on exercise of options		8,334	(1,269)	-	-	-	7,065	-	7,065
Shares issued for share-based compensation		2,585	(2,585)	-	-	-	-	-	-
Treasury shares reserved for share-based compensation		(5,607)	-	-	-	-	(5,607)	-	(5,607)
Release of treasury shares		4,434	(4,356)	-	-	-	78	-	78
		10,433	(4,762)	-	-	(6,181)	(510)	-	(510)
<b>As at March 31, 2021</b>		\$ 540,299	\$ 25,666	\$ 36,024	\$ -	\$ (221,180)	\$ 380,809	\$ -	\$ 380,809
<b>As at January 1, 2022</b>		\$ 726,325	\$ 42,364	\$ 38,439	\$ (244)	\$ (217,406)	\$ 589,478	\$ (115)	\$ 589,363
Profit (loss) for the period		-	-	-	-	(11,518)	(11,518)	62	(11,456)
Change in fair value of non-controlling interest liability		-	-	-	15	-	15	-	15
Other comprehensive income (loss), net of tax:									
Currency translation differences		-	-	(9,354)	-	-	(9,354)	-	(9,354)
Changes in investments measured at fair value through other comprehensive income		-	-	(862)	-	-	(862)	-	(862)
<b>Total comprehensive income (loss) for the period</b>		-	-	(10,216)	15	(11,518)	(21,719)	62	(21,657)
Transactions with owners:									
Dividends declared	15	-	-	-	-	(6,761)	(6,761)	-	(6,761)
Share-based compensation	13	-	6,040	-	-	-	6,040	-	6,040
Dividend Reinvestment Plan	12	693	-	-	-	-	693	-	693
Shares issued on exercise of options	12, 13	1,189	(177)	-	-	-	1,012	-	1,012
Shares issued for share-based compensation	12, 13	3,264	(3,264)	-	-	-	-	-	-
Treasury shares reserved for share-based compensation	12, 13	(4,304)	-	-	-	-	(4,304)	-	(4,304)
Release of treasury shares	12, 13	6,326	(5,536)	-	-	-	790	-	790
Cancellation of shares	12	(8,482)	-	-	-	-	(8,482)	-	(8,482)
Gain (loss) on sale of RSs and shares held in escrow		-	3	-	-	-	3	-	3
		(1,314)	(2,934)	-	-	(6,761)	(11,009)	-	(11,009)
<b>As at March 31, 2022</b>		\$ 725,011	\$ 39,430	\$ 28,223	\$ (229)	\$ (235,685)	\$ 556,750	\$ (53)	\$ 556,697

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

## Interim Condensed Consolidated Statements of Cash Flows For the Three Months Ended March 31, 2022 and 2021 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

		Three months ended March 31	
	Notes	2022	2021
<b>Cash flows from operating activities</b>			
Profit (loss) before income taxes		\$ (14,142)	\$ 2,349
Adjustments for:			
Depreciation of right-of-use assets		3,204	2,768
Depreciation of property, plant and equipment		1,594	1,255
Amortization of intangibles		10,685	5,517
Finance costs (income), net - leases	6	497	570
Finance costs (income), net - other	6	1,479	578
Share-based compensation	13	6,040	3,448
Unrealized foreign exchange (gain) loss		610	419
(Gain) loss on investments		(166)	(188)
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles		(13)	(238)
(Gain) loss on derivatives		10,474	(2,503)
Share of (profit) loss of joint venture		(606)	389
Impairment of right-of-use assets	10	3,752	-
Net changes in operating working capital		(27,249)	(8,253)
Net cash generated by (used in) operations		(3,841)	6,111
Less: interest paid on borrowings		(1,394)	(511)
Less: interest paid on leases		(497)	(570)
Less: income taxes paid		(1,620)	(1,366)
Add: income taxes refunded		152	67
<b>Net cash provided by (used in) operating activities</b>		<b>(7,200)</b>	<b>3,731</b>
<b>Cash flows from financing activities</b>			
Proceeds from exercise of options	12, 13	1,012	7,065
Financing fees paid		(8)	-
Proceeds from borrowings	11	30,500	8,000
Repayment of borrowings	11	(4,489)	(3,000)
Payments of principal on lease liabilities		(3,374)	(2,873)
Dividends paid	15	(6,031)	(5,437)
Treasury shares purchased for share-based compensation	12, 13	(3,511)	(5,607)
Cancellation of shares		(7,695)	-
<b>Net cash provided by (used in) financing activities</b>		<b>6,404</b>	<b>(1,852)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	9	(145)	(36)
Purchase of intangibles		(1,409)	(948)
Purchase of property, plant and equipment		(1,096)	(489)
Proceeds from investment	9	21	-
<b>Net cash provided by (used in) investing activities</b>		<b>(2,629)</b>	<b>(1,473)</b>
Effect of foreign currency translation		(1,002)	(971)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(4,427)</b>	<b>(565)</b>
Cash and cash equivalents, beginning of period		51,271	69,637
<b>Cash and cash equivalents, end of period</b>		<b>\$ 46,844</b>	<b>\$ 69,072</b>

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

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 1. Business and Structure

Altus Group Limited (the “Company”) provides the global commercial real estate (“CRE”) industry with vital actionable intelligence solutions driven by its ARGUS technology, asset level data, and market leading expertise. The Company’s solutions for the valuation, performance, and risk management of CRE assets are integrated into workflows critical to success across the CRE value chain. Founded in 2005, Altus Group Limited is a global company with approximately 2,600 employees across North America, EMEA and Asia Pacific.

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

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

“Altus Group” refers to the consolidated operations of the Company.

### 2. Basis of Preparation

These interim condensed consolidated financial statements (“interim financial statements”) as at and for the period ended March 31, 2022 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, 2021.

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, 2021.

These interim financial statements were approved by the Board of Directors for issue on May 4, 2022.



## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 3. Changes in Significant Accounting Policies and Estimates

#### Adoption of Recent Accounting Pronouncements

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

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

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

##### *Amendments to IFRS 3: Reference to the Conceptual Framework*

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

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

### 4. 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 significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the most recent annual financial statements.

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 4. Critical Accounting Estimates and Judgments, cont'd

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. The significant estimates and assumptions that could be impacted most by COVID-19 are the same as those described in the most recent annual financial statements.

### 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. The CEO assesses the performance of the operating segments, as well as when making decisions about the ongoing operations of the business and the Company's ability to generate cash flows based on a measure of Adjusted EBITDA.

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.

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 5. Segmented Information, cont'd

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

	Three months ended March 31, 2022	Three months ended March 31, 2021
<b>Adjusted EBITDA</b>	\$ 17,741	\$ 17,240
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 <sup>(1)</sup>	3,183	3,119
Depreciation of right-of-use assets	(3,204)	(2,768)
Depreciation of property, plant and equipment and amortization of intangibles	(12,279)	(6,772)
Acquisition and related transition (costs) income	(1,861)	(5,182)
Unrealized foreign exchange gain (loss) <sup>(2)</sup>	(610)	(419)
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles <sup>(2)</sup>	13	238
Share of profit (loss) of joint venture	606	(389)
Non-cash share-based compensation costs <sup>(3)</sup>	(4,620)	(2,432)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged <sup>(3)</sup>	(2,441)	625
Restructuring (costs) recovery	(8,356)	49
Gain (loss) on investments <sup>(4)</sup>	166	188
Other non-operating and/or non-recurring income (costs) <sup>(5)</sup>	(504)	-
<b>Earnings (loss) before finance costs and income taxes</b>	<b>(12,166)</b>	<b>3,497</b>
Finance (costs) income, net - leases	(497)	(570)
Finance (costs) income, net - other	(1,479)	(578)
<b>Profit (loss) before income taxes</b>	<b>(14,142)</b>	<b>2,349</b>
Income tax (expense) recovery	2,686	288
<b>Profit (loss) for the period</b>	<b>\$ (11,456)</b>	<b>\$ 2,637</b>

<sup>(1)</sup> 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.

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

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

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

<sup>(5)</sup> Other non-operating and/or non-recurring income (costs) for the three months ended March 31, 2022 relate to legal, advisory, and other consulting costs related to initiatives including those related to the leadership transition. These are included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 5. Segmented Information, cont'd

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

#### Segment Revenues and Expenditures

	Three months ended March 31, 2022						
	Altus Analytics	Commercial Property Tax	Real Estate and Cost Advisory	Consulting Total	Corporate <sup>(1)</sup>	Eliminations	Total
Revenues from external customers	\$ 80,079	\$ 58,468	\$ 29,037	\$ 87,505	\$ -	\$ -	\$ 167,584
Inter-segment revenues	231	-	(56)	(56)	-	(175)	-
<b>Total segment revenues</b>	80,310	58,468	28,981	87,449	-	(175)	167,584
<b>Adjusted EBITDA</b>	11,231	13,307	2,914	16,221	(9,711)	-	17,741
Depreciation of right-of-use assets	1,730	630	614	1,244	230	-	3,204
Depreciation of property, plant and equipment and amortization of intangibles	8,387	3,283	393	3,676	216	-	12,279
Finance costs (income), net - leases	103	134	106	240	154	-	497
Finance costs (income), net - other	-	-	-	-	1,479	-	1,479
Income tax expense (recovery)	-	-	-	-	(2,686)	-	(2,686)

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

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 5. Segmented Information, cont'd

	Three months ended March 31, 2021							
	Altus Analytics	Commercial Real Estate	Property Tax	Valuation and Cost Advisory	Consulting	Corporate <sup>(1)</sup>	Eliminations	Total
					Total			
Revenues from external customers	\$ 54,117	\$ 54,670	\$ 28,371	\$ 83,041	\$ -	\$ -	\$ -	\$ 137,158
Inter-segment revenues	123	-	(48)	(48)	-	(75)	-	-
<b>Total segment revenues</b>	<b>54,240</b>	<b>54,670</b>	<b>28,323</b>	<b>82,993</b>	<b>-</b>	<b>(75)</b>	<b>-</b>	<b>137,158</b>
<b>Adjusted EBITDA</b>	<b>10,212</b>	<b>11,114</b>	<b>3,892</b>	<b>15,006</b>	<b>(7,978)</b>	<b>-</b>	<b>-</b>	<b>17,240</b>
Depreciation of right-of-use assets	1,214	740	670	1,410	144	-	-	2,768
Depreciation of property, plant and equipment and amortization of intangibles	3,131	3,116	288	3,404	237	-	-	6,772
Finance costs (income), net - leases	117	162	135	297	156	-	-	570
Finance costs (income), net - other	-	-	-	-	578	-	-	578
Income tax expense (recovery)	-	-	-	-	(288)	-	-	(288)

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

### 6. Finance Costs (Income), Net

	Three months ended March 31, 2022	Three months ended March 31, 2021
Interest on bank credit facilities	\$ 1,530	\$ 600
Interest on lease liabilities	497	570
Interest - other	40	3
<b>Finance costs</b>	<b>2,067</b>	<b>1,173</b>
<b>Finance income</b>	<b>(91)</b>	<b>(25)</b>
<b>Finance costs (income), net</b>	<b>\$ 1,976</b>	<b>\$ 1,148</b>

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 7. Income Taxes

	Three months ended March 31, 2022	Three months ended March 31, 2021
<b>Income tax expense (recovery)</b>		
Current	\$ (3,100)	\$ 615
Deferred	414	(903)
	<b>\$ (2,686)</b>	<b>\$ (288)</b>

### 8. Trade Receivables and Other

	March 31, 2022	December 31, 2021
Trade receivables	\$ 151,997	\$ 171,268
Less: loss allowance provision	(18,230)	(19,913)
Trade receivables, net	133,767	151,355
Contract assets: unbilled revenue on customer contracts <sup>(1)</sup>	52,102	47,677
Deferred costs to obtain customer contracts	3,389	1,942
Prepayments	23,142	20,903
Due from related party (GeoVerra)	1,574	3,074
Other receivables	1,277	1,182
	<b>215,251</b>	<b>226,133</b>
Less: non-current portion	(2,527)	(2,818)
	<b>\$ 212,724</b>	<b>\$ 223,315</b>

<sup>(1)</sup> On March 31, 2022, contract assets are stated net of expected credit losses of \$966 (December 31, 2021 - \$787).

For the three months ended March 31, 2022, \$973 of amortization associated with deferred costs to obtain customer contracts was expensed to the interim condensed consolidated statements of comprehensive income (loss) (2021 - \$467). For the three months ended March 31, 2022 and 2021, no impairment losses on deferred costs were recognized.

### 9. Investments

	March 31, 2022	December 31, 2021
Investments in equity instruments	\$ 13,024	\$ 14,412
Investments in partnerships	6,561	6,394
	<b>\$ 19,585</b>	<b>\$ 20,806</b>

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 10. Trade Payables and Other

	March 31, 2022	December 31, 2021
Trade payables	\$ 12,934	\$ 10,625
Accrued expenses	76,352	119,213
Contract liabilities: deferred revenue	74,211	73,255
Deferred consideration payables	6,809	6,668
Contingent consideration payables	185	179
Dividends payable (Note 15)	6,761	6,724
Provisions	4,331	1,551
Due to related party (GeoVerra)	-	86
	<b>181,583</b>	<b>218,301</b>
Less non-current portion:		
Accrued expenses	14,435	20,778
Contract liabilities: deferred revenue	622	208
Deferred consideration payables	3,462	3,462
Contingent consideration payables	185	179
Provisions	290	286
	<b>18,994</b>	<b>24,913</b>
	<b>\$ 162,589</b>	<b>\$ 193,388</b>

Provisions consist of:

	Restructuring	Other	Total
Balance as at January 1, 2022	\$ 1,371	\$ 180	\$ 1,551
Charged to profit or loss:			
Additional provisions, net of releases	8,356	-	8,356
Unwinding of discount	-	2	2
Used during the period	(5,561)	-	(5,561)
Exchange differences	(25)	8	(17)
<b>Balance as at March 31, 2022</b>	<b>4,141</b>	<b>190</b>	<b>4,331</b>
Less: non-current portion	(100)	(190)	(290)
	<b>\$ 4,041</b>	<b>\$ -</b>	<b>\$ 4,041</b>

#### *Restructuring*

Beginning in the first quarter of 2022, the Company initiated a global restructuring program which resulted in restructuring costs of \$8,356 for the period ended March 31, 2022, of which \$3,752 related to the impairment of right-of-use assets and the remainder primarily related to employee severance costs.

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 11. Borrowings

	March 31, 2022	December 31, 2021
Bank credit facilities	\$ 306,732	\$ 287,594
Less: deferred financing fees	(542)	(670)
	<b>\$ 306,190</b>	<b>\$ 286,924</b>

The Company's bank credit agreement provides the Company with the unconditional right to defer settlement of the liability for a period of two years, up to March 24, 2025.

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

	March 31, 2022
Funded debt to EBITDA (maximum of 4.00:1)	2.60:1
Interest coverage (minimum of 3.00:1)	24.86:1

### 12. Share Capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares, issuable in series. The common shares have no par value and rank equally with regard to the Company's residual assets. Holders of these shares are entitled to participate equally in dividends. Common shares issued and outstanding are as follows:

	Number of Shares	Common Shares Amount
Balance as at January 1, 2022	44,119,103	\$ 726,325
Issued on exercise of options (Note 13)	34,580	1,189
Issued under the Dividend Reinvestment Plan	10,758	693
Issued for share-based compensation (Note 13)	310,991	3,264
Treasury shares reserved for share-based compensation (Note 13)	(55,039)	(4,304)
Release of treasury shares (Note 13)	147,655	6,326
Cancellation of shares	(167,508)	(8,482)
<b>Balance as at March 31, 2022</b>	<b>44,400,540</b>	<b>\$ 725,011</b>

The 44,400,540 common shares as at March 31, 2022 are net of 614,532 treasury shares with a carrying value of \$40,751 that are held in escrow until vesting conditions are met (Note 13).



## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 13. Share-based Compensation

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

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

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

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

	Number of Options Outstanding	Weighted Average Exercise Price
Balance as at January 1, 2022	1,469,881	\$41.39
Granted	412,938	\$48.54
Exercised	(34,580)	\$29.27
Expired/Forfeited	(110,065)	\$52.47
<b>Balance as at March 31, 2022</b>	<b>1,738,174</b>	<b>\$42.63</b>

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

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Exercisable
\$19.67 - \$29.72	266,138	1.60 years	193,428
\$30.70 - \$37.93	346,079	1.57 years	253,737
\$45.11 - \$52.84	907,607	3.88 years	223,801
\$56.49 - \$65.67	218,350	4.03 years	39,322
<b>\$42.63</b>	<b>1,738,174</b>	<b>3.09 years</b>	<b>710,288</b>

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March 31, 2022 and 2021

(Unaudited)

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

### 13. Share-based Compensation, cont'd

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

	2022
Risk-free interest rate	1.58%
Expected dividend yield	1.2%
Expected volatility	29.67% - 30.52%
Expected option life	3.00 - 4.50 years
Exercise price	\$48.54
Weighted average grant-date fair value per option	\$8.61 - \$10.56

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, 2022	51,843
Settled	(45,847)
<b>Balance as at March 31, 2022</b>	<b>5,996</b>

The Company settled vested performance share units ("PSUs") under the Long-Term Equity Incentive Plan through the issuance of common shares:

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

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

	Number of PSUs
Granted in 2021	101,709
Granted in 2022	79,579

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 13. Share-based Compensation, cont'd

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

The following is a summary of the Company's Long-Term Incentive Restricted Share Plan ("LTIRS Plan") activity:

	Number of LTIRs
Balance as at January 1, 2022 (all unvested)	20,327
Granted	4,903
Settled	(474)
Forfeited	(260)
<b>Balance as at March 31, 2022 (all unvested)</b>	<b>24,496</b>

In 2022, the Company granted a total value of \$323 under the LTIRS Plan and purchased 4,903 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 Long-Term Incentive Restricted Share Unit Plan ("LTIRSU Plan") activity:

	Number of LTIRSUs
Balance as at January 1, 2022 (all unvested)	53,152
Granted	14,750
Settled	(1,877)
Forfeited	(1,460)
<b>Balance as at March 31, 2022 (all unvested)</b>	<b>64,565</b>

#### (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, 2022 (all unvested)	179,980
Granted	50,136
Settled	(88,917)
Forfeited	(198)
<b>Balance as at March 31, 2022 (all unvested)</b>	<b>141,001</b>

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March 31, 2022 and 2021

(Unaudited)

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

### 13. Share-based Compensation, cont'd

In connection with the 2021 performance year, the Company granted a total value of \$3,981 under the RS Plan. In March 2022, the Company purchased 50,136 common shares in the open market (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, 2022 (all unvested)	259,691
Granted	129,270
Settled	(115,058)
Forfeited	(7,416)
<b>Balance as at March 31, 2022 (all unvested)</b>	<b>266,487</b>

#### (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, 2022	195,001
Granted	4,622
Forfeited	(25,703)
<b>Balance as at March 31, 2022</b>	<b>173,920</b>

#### (v) Other Share-Based Awards

The following is a summary of the activity related to common shares held in escrow and subject to continued employment related to the Company's acquisition of Property Tax Assistance Company Inc., Finance Active SAS, StratoDem Analytics, LLC, ArGil Property Tax Services Paralegal Professional Corporation and Scryer, Inc. (d/b/a Reonomy):

	Number of common shares
Balance as at January 1, 2022	454,997
Forfeited	(12,108)
<b>Balance as at March 31, 2022</b>	<b>442,889</b>

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 13. Share-based Compensation, cont'd

#### (vi) Compensation Expense by Plan

	Three months ended March 31, 2022	Three months ended March 31, 2021
Equity Compensation Plan	\$ 85	\$ 262
Long-Term Equity Incentive Plan	231	1,600
LTIRS Plan	190	37
LTIRSU Plan <sup>(1)</sup>	80	39
RS Plan	1,230	979
RSU Plan <sup>(2)</sup>	(2,519)	3,692
DSU Plans <sup>(3)</sup>	(3,451)	2,284
Other share-based awards	4,304	570

<sup>(1)</sup> For the three months ended March 31, 2022, the Company recorded mark-to-market adjustments of \$(264) (2021 - \$2).

<sup>(2)</sup> For the three months ended March 31, 2022, the Company recorded mark-to-market adjustments of \$(3,878) (2021 - \$2,844).

<sup>(3)</sup> For the three months ended March 31, 2022, the Company recorded mark-to-market adjustments of \$(3,843) (2021 - \$1,876).

#### (vii) Liabilities for Cash-settled Plans <sup>(1)</sup>

	March 31, 2022	December 31, 2021
LTIRSU Plan	\$ 622	\$ 781
RSU Plan	7,083	14,729
DSU Plans	8,525	12,638

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

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 14. Earnings (Loss) per Share

For the three months ended March 31, 2022, 1,738,174 share options, 623,158 restricted shares (“RSs”) (including common shares issued in escrow as part of the LTIRS plan) and 363,059 PSUs were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

For the three months ended March 31, 2021, 308,579 share options and 15,011 RSs (including common shares issued in escrow as part of the LTIRS Plan) were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

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

	Three months ended March 31, 2022	Three months ended March 31, 2021
Profit (loss) for the period attributable to Shareholders of the Company - basic and diluted	\$ (11,518)	\$ 2,637
Weighted average number of common shares outstanding - basic	44,170,613	40,551,803
Dilutive effect of share options	-	435,908
Dilutive effect of equity awards and PSUs	-	411,870
Dilutive effect of RSs	-	242,717
Weighted average number of common shares outstanding - diluted	44,170,613	41,642,298
Earnings (loss) per share:		
Basic	\$(0.26)	\$0.07
Diluted	\$(0.26)	\$0.06

### 15. Dividends Payable

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

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 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 Company classifies its financial assets as fair value through profit or loss ("FVPL"), fair value through other comprehensive income ("FVOCI") or amortized cost. The tables below indicate the carrying values of financial assets and liabilities for each of the following categories:

	March 31, 2022			December 31, 2021		
	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
<b>Assets as per Consolidated Balance Sheet:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 46,844	\$ -	\$ -	\$ 51,271
Trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments)	-	-	188,720	-	-	203,288
Investments in equity instruments	-	13,024	-	-	14,412	-
Investments in partnerships	6,561	-	-	6,394	-	-
Derivative financial instruments	11,055	-	-	21,529	-	-
	<b>\$ 17,616</b>	<b>\$ 13,024</b>	<b>\$ 235,564</b>	<b>\$ 27,923</b>	<b>\$ 14,412</b>	<b>\$ 254,559</b>

## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

(Unaudited)

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

### 16. Financial Instruments and Fair Values, cont'd

	March 31, 2022		December 31, 2021	
	FVPL	Amortized Cost	FVPL	Amortized Cost
<b>Liabilities as per Consolidated Balance Sheet:</b>				
Trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables, deferred consideration payables and contingent consideration payables)	\$ -	\$ 84,148	\$ -	\$ 110,051
Deferred consideration payables	6,809	-	6,668	-
Contingent consideration payables	185	-	179	-
Borrowings	-	306,190	-	286,924
	\$ 6,994	\$ 390,338	\$ 6,847	\$ 396,975

### Fair Values

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

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in equity instruments	\$ 3,072	\$ -	\$ 9,952	\$ 13,024
Investments in partnerships	-	-	6,561	6,561
Derivative financial instruments	-	11,055	-	11,055
<b>Liabilities:</b>				
Borrowings	-	306,732	-	306,732
Deferred consideration payables	-	6,809	-	6,809
Contingent consideration payables	-	-	185	185



## Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021

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### 16. Financial Instruments and Fair Values, cont'd

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

For the three months ended March 31, 2022 and 2021, there were no transfers between the levels in the hierarchy.

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

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 March 31, 2022, the Company provided letters of credit of approximately \$1,459 to its lessors (December 31, 2021 - \$1,485).

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

As at March 31, 2022, the Company has committed to aggregate capital contributions of \$4,915 (Note 9) to certain partnerships (December 31, 2021 - \$4,847).

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### 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

#### *Acquisition of Rethink Solutions Inc.*

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

As of the date of issuance of these interim financial statements, the initial accounting for this transaction has not been completed.

#### *Long-Term Equity Incentive Plan Share Pool Increase*

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





## Altus Group

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Toronto Stock Exchange  
Stock trading symbol: AIF

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