Altus Group

Management's Discussion & Analysis

2021

Altus Group Limited

Management's Discussion & Analysis
December 31, 2021

Contents

Forward-Looking Information	1
Non-GAAP and Other Measures	3
Overview of the Business	5
Strategy	7
Financial and Operating Highlights	11
Discussion of Operations	16
Year and Quarter Ended December 31, 2021	16
Revenues and Adjusted EBITDA by Business Unit	20
Altus Analytics	21
Commercial Real Estate Consulting	24
Corporate Costs	25
Liquidity and Capital Resources	26
Reconciliation of Adjusted EBITDA to Profit (Loss)	30
Reconciliation of Adjusted Earnings (Loss) Per Share to Profit (Loss)	31
Summary of Quarterly Results	32
Selected Annual Information	33
Share Data	36
Financial Instruments and Other Instruments	36
Contingencies	38
Critical Accounting Estimates and Judgments	38
Changes in Significant Accounting Policies and Estimates	40
Disclosure Controls and Procedures and Internal Controls over Financial Reporting	42
Key Factors Affecting the Business	44
Additional Information	54

Management's Discussion & Analysis
December 31, 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" are to the consolidated group of entities, and this should be read in conjunction with our consolidated financial statements and accompanying notes (the "financial statements") as at and for the year ended December 31, 2021, which have been prepared on the basis of International Financial Reporting Standards ("IFRS") and reported in Canadian dollars. Unless otherwise indicated herein, references to "$" are to Canadian dollars and percentages are in comparison to the same period in 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, and, as appropriate, our consolidated operations.

This MD&A is dated as of February 24, 2022.

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 operating initiatives, focuses and strategies, our expectations of future performance for our various business units and our consolidated financial results, including the guidance on financial expectations, and our expectations with respect to cash flows and liquidity. Generally, forward-looking information can be identified by use of words such as "may", "will", "expect", "believe", "plan", "would", "could", "remain" and other similar terminology. 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: 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. Altus has also made certain macroeconomic and general industry assumptions in the preparation of such forward-looking statements.

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; our financial performance; our financial targets; the commercial real estate market; acquisitions; industry competition; business interruption events; third party information; cybersecurity; professional talent; our cloud subscriptions transition; software renewals; our sales pipeline; enterprise transactions; customer concentration and loss of material clients; product enhancements and new product introductions; technological strategy; intellectual property; property tax appeals and seasonality; legislative and regulatory changes; privacy and data protection; our brand and reputation; fixed-price and contingency engagements; the Canadian multi-residential market; currency fluctuations; interest rates; credit; income tax matters; health and safety hazards; our contractual obligations; legal proceedings; our insurance limits; our ability to meet the solvency requirements necessary to make dividend payments; our leverage and financial covenants; our share price; our capital investments; and the issuance of additional common shares and debt, as described in this document under "Key Factors Affecting the Business" as well as those described in our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2020 (which are available on SEDAR at www.sedar.com).

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, our financial or operating results, or our securities.

Certain information in this MD&A, including sections entitled "Outlook", may be considered as "financial outlook" within the meaning of applicable securities legislation. The purpose of this financial outlook is to provide readers with disclosure regarding Altus' 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-GAAP and Other Measures

Non-GAAP Financial Measures

We use certain non-GAAP 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 which include non-GAAP financial measures and non-GAAP ratios as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"), may assist investors in assessing an investment in our shares as they provide additional insight into our performance. These non-GAAP 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") is a non-GAAP financial measure which 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.

Organic Adjusted EBITDA is a non-GAAP financial measure which represents Adjusted EBITDA (as defined above) excluding Adjusted EBITDA from business acquisitions that are not fully integrated, up to the first anniversary of the acquisition.

Adjusted EBITDA margin is a non-GAAP financial ratio which represents the percentage factor of Adjusted EBITDA to revenues. We use Adjusted EBITDA, Organic Adjusted EBITDA and Adjusted EBITDA margin to evaluate the performance of our business, as well as when making decisions about the ongoing operations of the business and our ability to generate cash flows. Refer to page 30 for a reconciliation of Adjusted EBITDA to our financial statements.

Adjusted Earnings (Loss) is a non-GAAP financial measure which represents profit (loss) 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, other costs or income of a non-operating and/or non-recurring nature, and the tax impact on these items. We use Adjusted Earnings (Loss) to facilitate the calculation of Adjusted Earnings (Loss) per Share ("Adjusted EPS"). Refer to page 31 for a reconciliation of Adjusted Earnings (Loss) to our financial statements.

Adjusted EPS is a non-GAAP financial ratio calculated by dividing the Adjusted Earnings (Loss) by the basic weighted average number of shares adjusted for the effects of weighted average number of restricted shares. We use Adjusted EPS to assess the performance of our business before the effects of the noted items, because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Refer to page 31 for a reconciliation of Adjusted EPS to our financial statements.

Constant currency is a non-GAAP financial measure that 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-GAAP 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.

Net debt to Adjusted EBITDA leverage ratio is a non-GAAP financial ratio which represents net debt, or total borrowings less cash and cash equivalents (net of short-term deposits), as a percentage of Adjusted EBITDA. We use Net debt to Adjusted EBITDA leverage ratio as a measure of our ability to service our debt and other long-term obligations.

Other Measures

We also apply certain other measures to allow us to measure our performance against our operating strategy and against the results of our peers and competitors. Readers are cautioned that they are not standardized financial measurements in accordance with IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to financial measures as reported by those entities. These other measures, which include supplementary financial measures as defined in NI 52-112, should not be considered in isolation or as a substitute for any other measure of performance under IFRS.

Bookings is a supplementary financial measure we introduced in the first quarter of 2021 for the Altus Analytics business segment. We define Bookings as the annual contract value for new sales of our recurring offerings (software, Appraisal Management solutions and data subscriptions) and the total contract value 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. We use Bookings as a measure to track the performance and success of our sales initiatives, and as an indicator of future revenue growth.

Over Time revenues is a supplementary financial measure 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. For greater clarity, this measure does not include revenue from distinct on-premise licenses which is recognized upfront at the point in time when the software is delivered to the customer. We use Over Time revenues as a measure to assess revenue trends in our business, and as an indicator of future revenue growth.

Organic Revenue is a supplementary financial measure which represents revenue, consistent with IFRS 15, *Revenue from Contracts with Customers*, excluding the revenues from business acquisitions that are not fully integrated, prior to the first anniversary of the acquisition. We use Organic Revenue to assess revenue trends in our business on a comparable basis versus the prior year, and as an indicator of future revenue growth.

ARGUS Enterprise ("AE") software maintenance retention rate is a supplementary financial measure 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. We use AE software maintenance retention rate as a measure to evaluate our success in retaining our AE software customers.

Cloud adoption rate is another measure 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. We use Cloud adoption rate as a measure of our progress in transitioning the AE user base to our cloud-based platform, a key component of our overall product strategy.

Days Sales Outstanding ("DSO") is a supplementary financial measure which is calculated 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 use DSO as a measure of our ability to convert our revenues into cash.

Overview of the Business

Altus provides the global commercial real estate ("CRE") industry with vital actionable intelligence solutions driven by our de facto standard ARGUS technology, unparalleled asset level data, and market leading expertise. A market leader in providing intelligence-as-a-service, Altus empowers CRE professionals to make well-informed decisions with greater speed and scale to maximize returns and reduce risk. Trusted by most of the world's largest CRE leaders, our 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 is a global company with over 2,600 employees across North America, EMEA and Asia Pacific.

We have two reporting business segments: Altus Analytics and Commercial Real Estate Consulting ("CRE Consulting").

Altus Analytics
Our global Altus Analytics business segment includes a portfolio of CRE-focused software, data, analytics, and advisory solutions that enable clients to drive better performance in the areas of valuation, transactions, performance, strategy and intelligence. Our solutions drive compelling, quantifiable value for our clients and empower them to leverage the gained intelligence to deliver outsized returns, mitigate portfolio risk, improve margins and raise more capital. The combination of our deep industry expertise with asset-level data and data science on an industry standard platform (ARGUS) enables us to serve our customers through a scalable intelligence-as-a-service delivery model. Our ARGUS platform enjoys a strong network effect in the CRE ecosystem and has been widely recognized as the industry standard for property cash flow and valuation modelling for over 30 years, and many of our solutions are deeply entrenched in our customers' key workflows across the CRE asset value chain. Our clients predominately consist of CRE-focused professionals and organizations ranging from small-to-medium sized businesses to large, global firms. The key customers we serve include equity and debt investors, valuers and appraisers, brokers, developers, banks, and public entities.

Our Altus Analytics solutions are global with our flagship AE software currently utilized in over 100 countries. Our products have traditionally been sold as point solutions, primarily led by our ARGUS software and appraisal management offerings, which we bolstered with new software, data and analytics capabilities through acquisitions that collectively provide us with an end-to-end enterprise solution across various CRE asset investment and management workflows – both for equity and debt investments. In 2022, we are realigning the way we bring our solutions to market by combining our core software tools (ARGUS and Finance Active), data (Altus Data Studio and Reonomy), analytics (ARGUS ValueInsight with CRE fund benchmarking and attribution analysis tools and StratoDem Analytics) and advisory (Appraisal Management and One11 advisory) capabilities under the following five offerings: Altus Valuation, Altus Transactions, Altus Performance, Altus Strategy, and Altus Intelligence. Each of these offerings packages a number of our capabilities which we believe best suits our customers' needs and better addresses their pain points across the whole asset lifecycle.

Our Altus Analytics business segment primarily consists of Over Time revenues, including software subscription revenues recognized on an over time basis, data and analytics offerings, as well as legacy software maintenance fees (which are in the process of upgrading to cloud subscriptions) and the managed services fees from our Appraisal Management solutions. The segment also consists of point-in-time revenues from legacy on-premise licenses as well as services related to education, training, implementation, and strategic advisory for front-to-back-office strategies, processes and technology. Our revenue mix continues to increasingly shift to a recurring subscription-based model under which revenues are recognized ratably (which we capture as Over Time revenues). We continue to upgrade our legacy on-premise AE software users to our cloud environment by converting their maintenance contracts to cloud subscription contracts. Our subscription agreements vary in length between one to five years with the fee primarily dependent on the number of users and applications deployed, and in the case of our Appraisal Management managed services, based on the number of real estate assets on our platform with adjustments for frequency of valuations and complexity of asset class. Our non-recurring software service engagements are charged primarily on a time and materials basis, billed and recognized monthly as delivered. We enjoy very high contract renewal rates for our Altus Analytics solutions, including industry leading retention rates for our flagship AE software.

Commercial Real Estate Consulting

Our CRE Consulting business segment includes CRE-focused professional services in the areas of property tax management, valuations, and cost advisory to help our clients maximize the value and returns of their CRE assets and investments. Through our various practice areas, we are well-equipped to serve our clients across various stages of the CRE asset lifecycle: 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. 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 practices.

Property tax is typically the largest operating expense in CRE property ownership after debt service, making it a key area of focus for our clients. Additionally, realty tax regimes vary significantly between jurisdictions requiring regional and asset specific expertise. We help clients proactively manage this cost and their complex appeal processes, striving to help them minimize the tax burden and reduce the cost of compliance. Our core real estate property tax services include assessment reviews, managing tax appeals, as well as in the U.S., personal property and state and local tax advisory services. The combination of our very specific expertise with our proprietary comprehensive databases and technology contribute to our long-standing track record of successful client outcomes. In Canada, our engagements are also supported by our Property Tax Analyzer platform, an automated workflow communication model that provides clients with "one stop" monitoring and a dashboard view of their assets and property information, including property assessments, appeal status, and taxation information. 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. As discussed under the "Summary of Quarterly Results" section on page 32, this business is subject to some seasonal and cyclical variations.

Our Valuation practice in Canada consists of appraisals of real estate portfolios, valuation of properties for transactional purposes, due diligence and litigation support, 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.

Strategy

The growing prominence of data analytics, process automation, machine learning, artificial intelligence and cloud computing are continually providing greater visibility into properties and their performance. The maturing of the proptech sector is driving rapid modernization of the industry and changing customer demand trends. Customers are moving beyond single specialty solutions and increasingly looking for integration across their technology platforms and data collaboration across workflows to drive real-time business insights. Combined with the impacts of globalization, demographic shifts, new institutional capital in-flows and cross-border transactions, talent scarcity and increasing regulatory pressures – the CRE industry is undergoing a fundamental transformation. We believe our industry is at an inflection point that presents us with an attractive opportunity for our long-term growth strategy.

At the center of this rapidly maturing and consolidating sector is Altus. Our global footprint and market leading solutions place us at the intersection of CRE transactions globally, uniquely positioning us to drive transformative industry innovation in a fragmented technology landscape. We believe we have the industry's best view of global real estate and an established global platform that's trusted by the industry.

Our long-term strategy reinforces Altus as the global market leader in actionable intelligence solutions for the valuation, performance, and risk management of CRE assets. To drive our next phase of growth – *sustainably and innovatively* – our strategy is centered around serving the CRE market with an intelligence-as-a-service offering that provides us with strong recurring revenues, fuels the network effect of our platform, and better positions us to move into adjacent verticals. The intelligence-as-a-service model combines our technology, data and expertise across a myriad of CRE workflows spanning the various stages of the CRE asset lifecycle. In support of this, we are realigning our go-to-market plans and operating models across all of Altus to efficiently scale and enhance sales opportunities. Transformative industry innovation is core to solidify Altus as mission critical in the CRE ecosystem. Our product roadmap is focused on expanding capabilities that help our clients maximize returns (alpha) and reduce volatility (beta) with speed and scale. By pioneering predictive and prescriptive analytics we will help clients and our industry move from insight to foresight and in doing so further imbed our solutions across organizations. With the foundational technology and our best-in-class talent already in place, the acquisitions from 2021 have significantly accelerated our go-to-market timelines to drive transformative industry innovation in the coming years with actionable intelligence solutions.

The rare market consolidation that is emerging in the proptech sector presents us with a unique opportunity to remain acquisitive. While we are well positioned to deliver on our plans organically, we intend to pursue acquisition opportunities that will strengthen our intelligence-as-a-service platform and help accelerate time to market in alignment with our long-term strategy, including opportunities in new verticals and adjacencies that align with secular growth trends and that are strategic to our clients across the CRE value chain.

2022 Strategic Priorities:

In 2022, our strategic focus builds on the prior year's priorities and the acquisitions we made to drive transformative innovation. We have organized our priorities around three key themes – focus, simplification, and execution.

1. **Focus**

- ***Profitable revenue growth***: We are focused on strong sales execution to drive profitable revenue growth in each of our tier one geographies (U.S., Canada, U.K., France, Germany and Australia), across our core customer sectors (investors, proprietors, bankers, and service providers) and across our customer segments (high touch and scale).

- ***Network effect***: Driving global industry adoption of our ARGUS cloud platform remains a high priority and will be foundational to our intelligence-as-a-service offering. ARGUS' global, mission critical and de facto standard differentiation is amongst our most strategic competitive advantages that advances our position globally through its inherent network effect. We remain tactically focused on migrating our legacy on-premise software users to

our cloud platform, as well as expanding our penetration with existing customers and adding new ones.

2. **Simplification**

- ***Data***: Our business encompasses a substantial amount of valuable data across all of our solutions and service lines that we intend to leverage in our intelligence-as-a-service offering to deliver analytics at scale and with greater efficiency and speed. A core initiative this year is the unification of our data, including expanding our governance and optimization processes, as well as expanding our data and analytics capabilities to markets within our tier one targets.

- ***Value selling***: We are realigning our product offering structure pivoting from product-centric strategies and point solution selling to a more ubiquitous model that centers around our customers' unique priorities and with offers aligned to clear customer challenges that we can solve and create value. The combination of our data, technology and expertise that seamlessly delivers actionable intelligence provides for the most optimal way to drive client value while supporting our business strategies to profitably grow and scale. In 2022, we are updating the way we bring our solutions to market (starting with Altus Analytics and then at CRE Consulting) under the following five offerings: Altus Valuation, Altus Transactions, Altus Performance, Altus Strategy, and Altus Intelligence. Each of these offerings packages a number of our capabilities to best suit our customers' needs.

- ***Platform economics***: We are transitioning our entire technology stack to a platform-based approach designed for the management of our data model, the transition of our clients' digital experience, and to reap the benefits of leverage and scale across our entire organization. We are continuing to integrate all of our underlying technology under a common Altus performance platform to deliver intelligence-as-a-service. This approach is inclusive of all our solutions and service lines by design and will include a tax management workflow solution that will contribute valuable information to our intelligence-as-a-service model.

3. **Execution**

- ***One Altus***: Keeping pace with our growth and the many acquisitions made over the years, in 2022 we will transform our internal systems for how we operate, collaborate and go-to-market as a unified intelligence-as-a-service provider across all of Altus. This includes upgrading our finance back-office systems, optimizing CRM front office systems for integrated account planning, and simplifying our solution architecture (including realigning our sales processes, incentives and pricing to increase client value). Our efforts will simplify how we engage with our employees and customers and maximize our internal systems so that we can efficiently and effectively scale as we grow and enhance our productivity metrics.

- ***Talent strategy***: In support of our pursuit to become an international employer of choice, in 2022 we are focused on enhancing our talent management strategy to attract, motivate,

reward and retain our talented people with a focus on embedding a culture of transformation, diversity, equity and inclusion. We are shifting our talent priorities to increase our capacity in line with our growth strategy and investing in our global human resources systems to better manage our talent pool, strengthen employee engagement and productivity, and create a best-in-industry employee experience with improved organizational cohesiveness.

Financial and Operating Highlights

Selected Financial Information	Year ended December 31,			
In thousands of dollars, except for per share amounts		**2021**		2020
Revenues	$	625,387	$	561,156
Canada		30%		33%
U.S.		37%		38%
Europe		28%		24%
Asia Pacific		5%		5%
Adjusted EBITDA (1)	$	109,755	$	98,928
Adjusted EBITDA margin (1)		17.5%		17.6%
Profit (loss) from continuing operations	$	25,573	$	27,009
Profit (loss) from discontinued operations	$	-	$	(5,576)
Profit (loss)	$	25,573	$	21,433
Earnings (loss) per share:				
Basic				
Continuing operations		$0.62		$0.67
Discontinued operations		$0.00		$(0.14)
Diluted				
Continuing operations		$0.60		$0.66
Discontinued operations		$0.00		$(0.14)
Adjusted (1)		$1.90		$1.67
Dividends declared per share		$0.60		$0.60

(1) Altus uses certain non-GAAP financial measures such as Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EPS. Since these measures are not standard measures under GAAP, they may not be comparable to similar measures reported by other entities. Refer to the "Non-GAAP and Other Measures" section for more information on each measure and the "Reconciliation of Adjusted EBITDA to Profit (Loss)" and "Reconciliation of Adjusted Earnings (Loss) Per Share to Profit (Loss)" sections for reconciliations to the most directly comparable GAAP measure.

Financial Highlights

- **Revenues** were $625.4 million for the year ended December 31, 2021, up 11.4% (14.7% on a constant currency basis*) or $64.2 million ($82.4 million on a constant currency basis), from $561.2 million in 2020. Organic revenue* growth was 5.2% (8.1% on a constant currency basis) for the year ended December 31, 2021. Revenue growth for the year was led by Altus Analytics and another record year from Property Tax. Altus Analytics, including the acquisitions of Finance Active SAS ("Finance Active") and Scryer, Inc. (d/b/a Reonomy) ("Reonomy"), grew 23.3% (29.9% on a constant currency basis), helped by Over Time revenues growing 23.9% (29.4% on a constant currency basis). Property Tax revenues increased mostly on higher U.K. annuity billings for the year and increased settlement volumes in the U.K.

- **Adjusted EBITDA** was $109.8 million for the year ended December 31, 2021, up 10.9% (15.1% on a constant currency basis) or $10.9 million ($14.9 million on a constant currency basis), from $98.9 million in 2020. Organic Adjusted EBITDA* growth was 9.5% (13.4% on a constant currency basis) for the year

ended December 31, 2021. Earnings grew as a result of growing revenues and our ability to maintain our Adjusted EBITDA margin.

- **Profit (loss)** from continuing operations for the year ended December 31, 2021 was $25.6 million, down 5.3% or $1.4 million from $27.0 million in 2020. In addition to the items affecting Adjusted EBITDA as discussed above, profit (loss) from continuing operations for the year ended December 31, 2021 was impacted by costs related to the June 13, 2021 cybersecurity incident net of insurance proceeds received and receivable, additional acquisition and related transition costs, share-based compensation costs, amortization of acquisition-related intangibles, and losses due to foreign exchange. This was offset by lower restructuring costs related to our 2020 global restructuring program, additional gains on our partnership investments, and larger gains on equity derivatives.

- For the year ended December 31, 2021, earnings (loss) per share from continuing operations was $0.62, basic and $0.60, diluted, as compared to $0.67, basic and $0.66, diluted, in 2020.

- For the year ended December 31, 2021, Adjusted EPS was $1.90, up 13.8% from $1.67 in 2020.

- We returned $25.5 million to shareholders in the year through quarterly dividends of $0.15 per common share, or $0.60 per common share for the year.

- As at December 31, 2021, our bank debt was $287.6 million, representing a funded debt to EBITDA leverage ratio, as defined in our credit facility agreement, of 2.47 times (compared to 1.09 times as at December 31, 2020), well below our maximum ratio of 4.00 times. As at December 31, 2021, cash and cash equivalents were $51.3 million (compared to $69.6 million as at December 31, 2020). This also represents a net debt to Adjusted EBITDA leverage ratio* of 2.17 times (compared to 0.53 times as at December 31, 2020).

* Altus uses certain non-GAAP financial measures such as organic adjusted EBITDA, constant currency, non-GAAP financial ratios such as net debt to Adjusted EBITDA leverage ratio as well as supplementary financial and other measures such as organic revenue. Since these measures are not standard measures under GAAP, they may not be comparable to similar measures reported by other entities. Refer to the "Non-GAAP and Other Measures" section for more information on each measure.

Operating Highlights

Acquisition of Finance Active

On April 1, 2021, we acquired all of the issued and outstanding shares of Finance Active and its subsidiaries for approximately EUR106.5 million (CAD157.3 million) including a working capital payable of EUR0.1 million (CAD0.1 million). On closing, we paid a total of EUR89.2 million (CAD131.9 million) in cash, funded by drawing down on our credit facilities. In addition, we issued 303,177 common shares to the selling shareholders and certain members of Finance Active's management team valued at EUR12.4 million (CAD18.3 million) 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 EUR6.4 million (CAD9.5 million) are also subject to continued employment over the vesting period. As part of the purchase price, EUR4.8 million (CAD7.1 million) is also payable in cash over two years after closing. As part of the transaction, we entered into non-compete agreements with members of management of Finance Active.

Founded in 2000, Finance Active is a European provider of SaaS debt management and financial risk management SaaS solutions for treasury and investment management serving public, corporate and financial institutions. Finance Active is headquartered in Paris, France, with a wide geographic footprint in Europe including over 3,000 customers ranging from small-to-medium businesses to large, global institutions. Finance Active's team of approximately 160 professionals has integrated with our Altus Analytics business. Finance Active, with its SaaS business model, strengthens our Over Time revenues and provides additional opportunities for organic growth as we integrate our go-to-market operations.

Acquisition of StratoDem Analytics

On May 4, 2021, we acquired certain assets of StratoDem Analytics, LLC ("StratoDem Analytics") for USD24.4 million (CAD29.9 million) in cash and common shares, subject to adjustments. As part of the transaction, we entered into a non-compete agreement with members of management of StratoDem Analytics. As consideration for these assets, we paid cash of USD16.0 million (CAD19.6 million). In addition, we issued 165,320 common shares to the vendors valued at USD8.4 million (CAD10.3 million) 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 continued employment and compliance with certain terms and conditions. Of the shares issued, 139,977 valued at USD7.1 million (CAD8.7 million) 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 our long-term data strategy, bringing valuable data science talent and technology, and accelerating our speed to market for future data analytics products. Based in the U.S., StratoDem Analytics' team has been integrated with our Altus Analytics business.

Cybersecurity Incident

On June 13, 2021, we discovered that we were the target of a ransomware attack, which involved the encryption of a number of our back-office systems. We took immediate action to implement our cybersecurity protocols, notified law enforcement, and engaged with cybersecurity experts and professional advisers to assist in addressing the issue as quickly as possible. A customer business continuity protocol was implemented and, as a precautionary measure, our IT back-office systems were temporarily taken offline until they were rebuilt in greenfield environments under guidance of leading cybersecurity experts with additional measures to enhance the security of our systems. In conjunction with these activities, we have taken the opportunity to advance various transformational initiatives that will modernize our applications and processes onto cloud platforms. Since discovery of the incident, our client-facing, cloud-based data and software systems remained fully operational. While the cybersecurity incident caused some internal operational disruption, the impact to revenues was limited to certain areas of our business and overall was not considered material.

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.

Amendments to bank credit facilities

On September 24, 2021, we amended our bank credit facilities to further strengthen our financial and liquidity position. The amended credit facilities increased 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. The amendment also revised the interest rates under our credit facilities that were benchmarked to LIBOR rates to be benchmarked to SONIA, SOFR and €STR rates.

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.

$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 12, 2021, we acquired all of the issued and outstanding shares of Reonomy, a fast growing, AI-powered data platform for the CRE industry, for USD201.5 million (approximately CAD250.8 million) (on a cash-free debt-free basis), subject to adjustments. The acquisition of Reonomy strengthens our CRE data and analytics capabilities and creates a very compelling client offering that allows 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 paid a total of USD218.1 million (CAD271.4 million) in cash, funded with cash on hand and drawing down on our credit facilities. In addition, there is a working capital payable of USD0.3 million (CAD0.3 million) that will be settled in 2022. As part of the transaction, we entered into non-compete agreements with members of management of Reonomy. In addition, we issued 58,466 common shares to employees of Reonomy valued at USD3.0 million (CAD3.7 million). These common shares are held in

escrow and will vest and be released in equal installments on each of the first and second anniversaries of the grant date, subject to compliance with certain terms and conditions. Based in the U.S., Reonomy’ team will integrate with our Altus Analytics business unit.

Operating Highlights - Events After the Reporting Period

Leadership Transition

On February 3, 2022, we announced plans for the transition of our leadership team, including the promotion of Jim Hannon as our next Chief Executive Officer (“CEO”) effective April 1, 2022, succeeding Mike Gordon who will remain on our Board of Directors. Concurrently, Jorge Blanco has been promoted to the role of President of our Altus Analytics business segment and to the newly created role of Chief Commercial Officer effective April 1, 2022.

Normal Course Issuer Bid (“NCIB”)

On February 3, 2022, we announced that the Toronto Stock Exchange (“TSX”) had approved our notice of intention to enter into a NCIB. Pursuant to the NCIB, we may purchase for cancellation up to 1,345,142 of our outstanding common shares during the period from February 8, 2022 to February 7, 2023. The total number of common shares that we are permitted to purchase is subject to a daily purchase limit of 20,336 common shares, other than block purchase exemptions.

Discussion of Operations

Year and Quarter Ended December 31, 2021

	Year ended December 31,		Quarter ended December 31,	
In thousands of dollars	**2021**	2020	**2021**	2020
Revenues	$ 625,387	$ 561,156	$ 162,909	$ 139,480
Expenses				
Employee compensation	401,455	354,951	107,334	89,069
Occupancy	7,743	7,591	1,925	1,894
Office and other operating	123,023	102,193	32,254	25,567
Depreciation of right-of-use assets	12,119	11,210	3,209	2,706
Depreciation and amortization	34,463	30,404	9,815	7,511
Acquisition and related transition costs (income)	10,137	(887)	2,025	217
Share of (profit) loss of joint venture	(1,187)	(459)	(745)	(9)
Restructuring costs (recovery)	15	11,984	(238)	3,374
(Gain) loss on investments	(2,930)	(21)	(1,091)	1
Finance costs (income), net - leases	2,219	2,494	515	584
Finance costs (income), net - other	4,130	4,138	1,322	716
Profit (loss) from continuing operations before income taxes	34,200	37,558	6,584	7,850
Income tax expense (recovery)	8,627	10,549	(306)	3,228
Profit (loss) for the period from continuing operations	$ 25,573	$ 27,009	$ 6,890	$ 4,622
Profit (loss) for the period from discontinued operations	-	(5,576)	-	(276)
Profit (loss) for the period	$ 25,573	$ 21,433	$ 6,890	$ 4,346

Revenues

Revenues were $625.4 million for the year ended December 31, 2021, up 11.4% (14.7% on a constant currency basis) or $64.2 million ($82.4 million on a constant currency basis), from $561.2 million in 2020. Organic revenue growth was 5.2% (8.1% on a constant currency basis) for the year ended December 31, 2021. For the quarter ended December 31, 2021, revenues were $162.9 million, up 16.8% (19.9% on a constant currency basis) or $23.4 million ($27.8 million on a constant currency basis), from $139.5 million in the same period in 2020. Organic revenue growth was 6.9% (9.3% on a constant currency basis) for the quarter ended December 31, 2021. The revenue growth in 2021 was driven by strong Over Time revenue growth in Altus Analytics, including from our acquisitions, and another record year from our global Property Tax practice.

Employee Compensation

Employee compensation was $401.5 million for the year ended December 31, 2021, up 13.1% or $46.5 million from $355.0 million in 2020. For the quarter ended December 31, 2021, employee compensation was $107.3 million, up 20.5% or $18.2 million from $89.1 million in the same period in 2020. For the year and quarter ended December 31, 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, StratoDem Analytics in May 2021 and Reonomy in November 2021. For the year and quarter ended December 31, 2021, employee compensation as a

percentage of revenues was 64.2% and 65.9%, as compared to 63.3% and 63.9% 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 $7.7 million for the year ended December 31, 2021, up 2.0% or $0.1 million from $7.6 million in 2020. For the quarter ended December 31, 2021, occupancy was $1.9 million, in line with the same period in 2020. Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 would have been $20.9 million and $5.4 million for the year and quarter ended December 31, 2021, as compared to $19.9 million and $4.9 million in the corresponding periods in 2020, respectively. For the year and quarter ended December 31, 2021, occupancy as a percentage of revenues was 1.2% and 1.2%, as compared to 1.4% and 1.4% in the corresponding periods in 2020, respectively. Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 as a percentage of revenues would have been 3.3% and 3.3% for the year and quarter ended December 31, 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 $123.0 million for the year ended December 31, 2021, up 20.4% or $20.8 million from $102.2 million in 2020. For the quarter ended December 31, 2021, office and other operating costs were $32.3 million, up 26.2% or $6.7 million from $25.6 million in the same period in 2020. For the year and quarter ended December 31, 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 year and quarter ended December 31, 2021, office and other operating costs as a percentage of revenues were 19.7% and 19.8%, as compared to 18.2% and 18.3% in the corresponding periods in 2020, respectively.

Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets was $12.1 million and $3.2 million for the year and quarter ended December 31, 2021, as compared to $11.2 million and $2.7 million in the corresponding periods in 2020, respectively. The increase was primarily due to the acquisition of the Finance Active and Reonomy office leases.

Depreciation and Amortization

Depreciation and amortization were $34.5 million and $9.8 million for the year and quarter ended December 31, 2021, as compared to $30.4 million and $7.5 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 $10.1 million and $2.0 million for the year and quarter ended December 31, 2021, as compared to $(0.9) million and $0.2 million in the corresponding periods in 2020, respectively. Costs incurred for the year ended December 31, 2021 were related to the acquisitions and integrations of Finance Active, StratoDem Analytics, ArGil, and Reonomy during the year. The income recorded for the year ended December 31, 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 $(1.2) million and $(0.7) million for the year and quarter ended December 31, 2021, as compared to $(0.5) million and $nil in the corresponding periods in 2020, respectively.

Restructuring Costs (Recovery)
Restructuring costs (recovery) were $nil and $(0.2) million for the year and quarter ended December 31, 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 $12.0 million and $3.4 million in the corresponding periods in 2020, respectively.

(Gain) Loss on Investments
(Gain) loss on investments was $(2.9) million and $(1.1) million for the year and quarter ended December 31, 2021, as compared to $nil 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

	Year ended December 31,			Quarter ended December 31,		
In thousands of dollars	**2021**	2020	% Change	**2021**	2020	% Change
Interest on borrowings	$ 3,918	$ 3,943	(0.6%)	$ 1,413	$ 723	95.4%
Interest on lease liabilities	2,219	2,494	(11.0%)	515	584	(11.8%)
Unwinding of discounts	118	136	(13.2%)	51	3	1,600.0%
Interest - other	340	-	100.0%	47	-	100.0%
Change in fair value of interest rate swaps	-	138	(100.0%)	-	-	-
Finance income	(246)	(79)	211.4%	(189)	(10)	1,790.0%
Finance costs (income), net	$ 6,349	$ 6,632	(4.3%)	$ 1,837	$ 1,300	41.3%

Finance costs (income), net for the year ended December 31, 2021 was $6.3 million, down 4.3% or $0.3 million from $6.6 million in 2020. For the quarter ended December 31, 2021, finance costs (income), net was $1.8 million, up 41.3% or $0.5 million from $1.3 million in the same period in 2020. For the year ended December 31, 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 and Reonomy. For the quarter ended December 31, 2021, finance costs increased due to interest on our larger bank credit facilities balance and the accretion of the purchase price accounting adjustment to deferred revenue of Finance Active and Reonomy.

Income Tax Expense (Recovery)
Income tax expense (recovery) for the year ended December 31, 2021 was $8.6 million, as compared to $10.5 million in 2020. The decrease was due to a reduction in permanent tax expense adjustments compared to the prior year. For the quarter ended December 31, 2021, income tax expense (recovery) was $(0.3) million, as compared to $3.2 million in the same period in 2020. A significant amount of our earnings is derived outside of Canada and as a result a change in the mix of earnings and losses in countries with differing statutory tax rates has impacted our effective tax rates for the period ended December 31, 2021.

Profit (Loss) from Continuing Operations

Profit (loss) from continuing operations for the year ended December 31, 2021 was $25.6 million and $0.62 per share, basic and $0.60 per share, diluted, as compared to $27.0 million and $0.67 per share, basic and $0.66 per share, diluted, in 2020. For the quarter ended December 31, 2021, profit (loss) from continuing operations was $6.9 million and $0.16 per share, basic and $0.15 per share, diluted, as compared to $4.6 million and $0.11 per share, basic and diluted, in the same period in 2020.

Profit (Loss) from Discontinued Operations

Profit (loss) from discontinued operations for the year ended December 31, 2021 was $nil and $0.00 per share, basic and diluted, as compared to $(5.6) million and $(0.14) per share, basic and diluted, in 2020. For the quarter ended December 31, 2021, profit (loss) from discontinued operations was $nil and $0.00 per share, basic and diluted, as compared to $(0.3) million and $(0.01) 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 year ended December 31, 2021 was $25.6 million and $0.62 per share, basic and $0.60 per share, diluted, as compared to $21.4 million and $0.53 per share, basic and $0.52 per share, diluted, in 2020. For the quarter ended December 31, 2021, profit (loss) was $6.9 million and $0.16 per share, basic and $0.15 per share, diluted, as compared to $4.3 million and $0.11 per share, basic and $0.10 per share, diluted, in the same period in 2020.

Revenues and Adjusted EBITDA by Business Unit

Revenues	Year ended December 31,				Quarter ended December 31,			
In thousands of dollars	**2021**	2020	% Change	Constant Currency % Change	**2021**	2020	% Change	Constant Currency % Change
Altus Analytics	$ 251,084	$ 203,707	23.3%	29.9%	$ 72,407	$ 51,515	40.6%	46.6%
Commercial Real Estate Consulting	374,604	357,754	4.7%	6.0%	90,577	88,041	2.9%	4.2%
Intercompany eliminations	(301)	(305)	1.3%	1.3%	(75)	(76)	1.3%	0.9%
Total	$ 625,387	$ 561,156	11.4%	14.7%	$ 162,909	$ 139,480	16.8%	19.9%

Adjusted EBITDA	Year ended December 31,				Quarter ended December 31,			
In thousands of dollars	**2021**	2020	% Change	Constant Currency % Change	**2021**	2020 (1)	% Change	Constant Currency % Change
Altus Analytics	$ 41,567	$ 35,845	16.0%	25.2%	$ 10,698	$ 9,815	9.0%	19.1%
Commercial Real Estate Consulting	104,056	92,088	13.0%	14.0%	24,170	24,207	(0.2%)	1.0%
Corporate	(35,868)	(29,005)	(23.7%)	(24.4%)	(9,007)	(7,288)	(23.6%)	(24.2%)
Total	$ 109,755	$ 98,928	10.9%	15.1%	$ 25,861	$ 26,734	(3.3%)	1.3%

(1) Comparative figures have been restated to reflect accrued variable compensation costs within the respective business units.

Altus Analytics

In thousands of dollars	Year ended December 31, 2021	2020	% Change	Constant Currency % Change	Quarter ended December 31, 2021	2020	% Change	Constant Currency % Change
Revenues	$ 251,084	$ 203,707	23.3%	29.9%	$ 72,407	$ 51,515	40.6%	46.6%
Adjusted EBITDA [(1)]	$ 41,567	$ 35,845	16.0%	25.2%	$ 10,698	$ 9,815	9.0%	19.1%
Adjusted EBITDA Margin [(1)]	16.6%	17.6%			14.8%	19.1%		
Other Measures [(2)]								
Bookings	$ 95,066	$ 53,973	76.1%	84.9%	$ 31,120	$ 14,851	109.5%	113.3%
Over Time revenues	$ 207,805	$ 167,678	23.9%	29.4%	$ 59,801	$ 43,468	37.6%	41.0%
AE software maintenance retention rate	94%	96%			94%	94%		
Geographical revenue split								
North America	75%	81%			75%	81%		
International	25%	19%			25%	19%		
Cloud adoption rate (as at end of period)	42%	14%						

[(1)] Comparative figures have been restated to reflect accrued variable compensation costs within the respective business units.
[(2)] Altus uses certain supplementary financial and other measures such as Bookings, Over Time revenues, AE software maintenance retention rate and cloud adoption rate. Since these measures are not standard measures under GAAP, they may not be comparable to similar measures reported by other entities. Refer to the "Non-GAAP and Other Measures" section for more information on each measure.

Year End Discussion

Revenues were $251.1 million for the year ended December 31, 2021, up 23.3% (29.9% on a constant currency basis) or $47.4 million ($60.9 million on a constant currency basis), from $203.7 million in 2020. Organic revenues were up 9.0% (up 14.9% on a constant currency basis). The acquisitions of Finance Active, StratoDem Analytics and Reonomy represented 14.2% of the 23.3% revenue growth, although it was impacted by the purchase price accounting adjustments of $4.0 million to Finance Active's and Reonomy's deferred revenues or 2.0% to revenue growth. The double-digit growth in Over Time revenues across our product offerings drove revenue growth. In addition, our revenues from software consulting services showed strong growth in the year.

Over Time revenues, as described above in the "Overview of the Business" section, were $207.8 million for the year ended December 31, 2021, up 23.9% (29.4% on a constant currency basis) or $40.1 million ($49.3 million on a constant currency basis), from $167.7 million in 2020. On an organic basis, Over Time revenues were up 7.7% (up 13.2% on a constant currency basis). Over Time revenues benefitted from organic revenue growth from higher sales across all of our key solutions, including customer expansion and new customer additions, as well as the acquisition of Finance Active and Reonomy. Sequentially, Over Time revenues grew 8.5% (8.8% on a constant currency basis) or $4.7 million ($4.8 million on a constant currency basis), from $55.1 million in the third quarter of 2021.

Bookings in the year increased by 76.1% year-over-year (84.9% on a constant currency basis), from $54.0 million to $95.1 million and we finished the year with a growing pipeline of future opportunities. Organic

growth in Bookings was 65.3% (74.1% on a constant currency basis) from 2020.

Our transition to AE cloud subscriptions continued to progress at a healthy pace. At the end of 2021, 42% of our total AE user base had been contracted on ARGUS Cloud, compared to 14% at the start of the year.

Adjusted EBITDA was $41.6 million for the year ended December 31, 2021, up 16.0% (25.2% on a constant currency basis) or $5.8 million ($9.0 million on a constant currency basis), from $35.8 million in 2020. Organic Adjusted EBITDA growth was 16.4% (25.3% on a constant currency basis). Adjusted EBITDA improved on higher revenues, although it was impacted by the purchase price accounting adjustments of $4.0 million to Finance Active's and Reonomy's deferred revenues as well as higher investment related to accelerating our data strategy. The purchase price accounting adjustments had a 1.3% impact to Adjusted EBITDA margin.

Quarterly Discussion

Revenues were $72.4 million for the quarter ended December 31, 2021, up 40.6% (46.6% on a constant currency basis) or $20.9 million ($24.0 million on a constant currency basis), from $51.5 million in 2020. Organic revenue growth was 17.3% (21.9% on a constant currency basis). The acquisitions of Finance Active, StratoDem Analytics and Reonomy represented 23.2% revenue growth, although it was impacted by the purchase price accounting adjustment of $1.7 million to Finance Active's and Reonomy's deferred revenues or 3.3% to revenue growth. Total revenue growth benefitted from double-digit Over Time revenue growth across our subscription products and advisory services.

Over Time revenues were $59.8 million for the quarter ended December 31, 2021, up 37.6% (41.0% on a constant currency basis) or $16.3 million ($17.8 million on a constant currency basis), from $43.5 million in the same period in 2020. On an organic basis, Over Time revenues were up 12.2% (up 15.6% on a constant currency basis). Over Time revenues benefitted from higher sales across all our key solutions, both organic and from acquisitions, including customer expansion and new customer additions. Sequentially, Over Time revenues grew 8.5% (8.8% on a constant currency basis) from $55.1 million in the third quarter of 2021.

Bookings in the quarter ended December 31, 2021 increased by 109.5% year-over-year (113.3% on a constant currency basis) from $14.9 million to $31.1 million and we finished the quarter with a growing pipeline of future opportunities. Organic growth in Bookings was 86.9% (90.7% on a constant currency basis) from the same period in 2020.

Adjusted EBITDA was $10.7 million for the quarter ended December 31, 2021, up 9.0% (19.1% on a constant currency basis) or $0.9 million ($1.9 million on a constant currency basis), from $9.8 million in the same period in 2020. Organic Adjusted EBITDA growth was 29.4% (38.8% on a constant currency basis). Adjusted EBITDA improved on higher revenues, although it was impacted by the purchase price accounting adjustment of $1.7 million to Finance Active's and Reonomy's deferred revenues as well as higher investment related to accelerating our data strategy. The purchase price accounting adjustment had a 1.9% impact to Adjusted EBITDA margin.

***Outlook*[1]**

Our Altus Analytics business segment continues to have an attractive growth outlook, supported by favourable market trends of growing global demand for CRE-related actionable intelligence solutions. We remain well positioned to deliver sustained growth over the long term through the execution of our multi-year strategy. Reflecting the strength of the business in 2021 and the contributions from the acquisitions we made, we are well positioned for another strong year to drive sustained double-digit year-over-year revenue growth in 2022, including double-digit organic total and Over Time revenue growth, both on a constant currency basis. We also expect a double-digit year-over-year improvement in our Adjusted EBITDA, on a constant currency basis, which should translate to a year-over-year improvement in our Adjusted EBITDA margins for full year 2022.

Key drivers of expected organic growth in 2022 include continued high overall sales across all of our key solutions (including customer expansion and the steady addition of new clients globally), and the stacking effect of a growing subscription model. Growth from acquisitions, primarily reflected in our Over Time revenues, will include the contributions of Finance Active, StratoDem Analytics and Reonomy. As many of our solutions are considered to be mission critical by our customers, we expect to maintain very high contract renewal rates for our Altus Analytics solutions.

During 2021 and going into this year we have made a number of operational changes that are driving strong sales execution and operating efficiencies that we expect will be a key driver of performance. The evolution of our go-to-market plans under a globally unified, client-focused model has notably increased our opportunities for cross- and up-selling as our sales professionals are well equipped to sell the whole suite of Analytics' solutions, in combination with our client engagement activities that will help align our customer needs with our expanded intelligence-as-a-service solution set. In addition, our revamped customer success program is focused on enhancing customer value that we expect will lead increased customer satisfaction and improvements in our net and gross retention. It also increases our capacity in our go-to-market and service delivery teams. Finally, we expect to realize a number of operating efficiencies and improvements from our new global operating model through the year.

The migration of on-premise AE users to cloud-based subscription contracts is ongoing, and we expect to make significant progress in 2022. With 42% of AE users contracted on the cloud at the end of 2021, we expect to maintain good momentum in 2022 with the large majority of our AE users expected to be contracted to the cloud by the end of 2023. The enhancements to cloud-enabled AE 14, launched in late 2021, are expected to be an influential consideration for larger firms, in addition to our plans to end support for AE 12.1 or older by June 30, 2022.

As supported by the acceleration of our growth rates and strong Bookings performance, we are on track to meet our aspirational long-term goal of achieving revenues of $400 million by the end of 2023.

---

[1] 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.

Commercial Real Estate Consulting

	Year ended December 31,				Quarter ended December 31,			
In thousands of dollars	**2021**	2020	% Change	Constant Currency % Change	**2021**	2020	% Change	Constant Currency % Change
Revenues								
Property Tax	$ 259,911	$ 245,162	6.0%	8.0%	$ 60,060	$ 57,477	4.5%	6.2%
Valuation and Cost Advisory	114,693	112,592	1.9%	1.7%	30,517	30,564	(0.2%)	0.6%
Revenues	$ 374,604	$ 357,754	4.7%	6.0%	$ 90,577	$ 88,041	2.9%	4.2%
Adjusted EBITDA [(1)]								
Property Tax	$ 87,616	$ 76,961	13.8%	15.1%	$ 18,222	$ 18,121	0.6%	2.0%
Valuation and Cost Advisory	16,440	15,127	8.7%	8.5%	5,948	6,086	(2.3%)	(1.9%)
Adjusted EBITDA	$ 104,056	$ 92,088	13.0%	14.0%	$ 24,170	$ 24,207	(0.2%)	1.0%
Adjusted EBITDA Margin	27.8%	25.7%			26.7%	27.5%		

(1) Comparative figures have been restated to reflect accrued variable compensation costs within the respective business units.

Year End Discussion

Revenues were $374.6 million for the year ended December 31, 2021, up 4.7% (6.0% on a constant currency basis) or $16.8 million ($21.5 million on a constant currency basis), from $357.8 million in 2020. Organic revenue growth was 3.0% (4.2% on a constant currency basis). CRE Consulting delivered another record revenue year given the strength in our global Property Tax business.

Property Tax revenues increased by 6.0% (8.0% on a constant currency basis), primarily reflecting higher U.K. annuity billings for the year and increased settlement volumes in the U.K., 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.

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 increased from the prior year.

Adjusted EBITDA was $104.1 million for the year ended December 31, 2021, up 13.0% (14.0% on a constant currency basis) or $12.0 million ($12.9 million on a constant currency basis), from $92.1 million in 2020. Organic Adjusted EBITDA growth was 11.3% (12.2% on a constant currency basis). The increase in earnings resulted from higher revenues from Property Tax and from our Cost business.

Quarterly Discussion

Revenues were $90.6 million for the quarter ended December 31, 2021, up 2.9% (4.2% on a constant currency basis) or $2.6 million ($3.7 million on a constant currency basis), from $88.0 million in the same period in 2020. Organic revenue growth was 0.7% (2.0% on a constant currency basis). The growth in revenues was driven by strength in Property Tax and from our Cost business.

Property Tax revenues were $60.1 million, up 4.5% (6.2% on a constant currency basis) reflecting a rebound in the U.S. following the impact of COVID-19-related delays experienced earlier in the year, and growth

from the acquisition of PTA. We saw steady performance in Canada and a decline in revenues in the U.K. due to a decrease in settlement activity volumes while retaining a very healthy pipeline of cases to be settled. Our Valuation and Cost Advisory business held steady in the quarter.

Adjusted EBITDA was $24.2 million for the quarter ended December 31, 2021, in line with the same period in 2020. Organic Adjusted EBITDA growth was (4.5%) ((3.6%) on a constant currency basis).

***Outlook*[2]**

Our leading, global Property Tax practice continues to represent an attractive growth opportunity in a consolidating industry with increasing digital transformation. As digital transformation in the CRE sector advances, digitally enabled property tax management offers increasing opportunities to derive more value from real estate assets and portfolios. We expect to continue investing in technology and people to accelerate the digital transformation of our work processes and increase our offerings of digital products and services.

Consistent with the strong performance trends over the past couple of years, Property Tax remains well positioned to deliver another record revenue and Adjusted EBITDA in 2022. Our full year outlook for 2022 is supported by a significant pipeline of cases to be settled in all three geographical markets, as well as a healthy backlog of new sales bookings achieved by our business development activities, and record annuity billings in the U.K. Given the seasonal and cyclical variations of the Property Tax business (as discussed in more detail on page 32 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 experienced in 2021, the ongoing COVID-19 pandemic could continue to potentially impact some of these typical variations, and cause some short-term disruption related to the anticipated timing of settlements. 2022 marks the final year of the extended U.K. tax cycle which also makes it the final year of the associated annuity billings in the U.K. As the new U.K. cycle begins in 2023, the annuity billings will reset before it starts to ramp up in 2024.

Our Valuation and Cost Advisory practices enjoy significant market share and, as a result, have been growing modestly. Our focus in 2022 is to continue to unlock operating efficiencies supported by technology, which we expect to enhance our operating margins.

Corporate Costs

Year End Discussion

Corporate costs were $35.9 million for the year ended December 31, 2021, as compared to $29.0 million in 2020. Corporate costs increased primarily due to higher consulting fees for professional, advisory, and compensation costs.

Quarterly Discussion

Corporate costs were $9.0 million for the quarter ended December 31, 2021, as compared to $7.3 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 IT, compensation, travel and IR program costs. Starting in the first quarter of 2021, we accrued and allocated variable compensation costs for business

---

[2] 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.

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	Year ended December 31,	
In thousands of dollars	**2021**	2020 [(1)]
Net cash related to operating activities	$ 56,308	$ 72,300
Net cash related to financing activities	300,430	(41,298)
Net cash related to investing activities	(373,315)	(20,903)
Effect of foreign currency translation	(1,789)	(724)
Change in cash position during the year	$ (18,366)	$ 9,375
Dividends paid	$ 21,564	$ 21,859

(1) The net cash flows provided by (used in) the operating, financing, and investing activities of the Geomatics discontinued operations for the year ended December 31, 2020 were $3.2 million, $(0.7) million, and $(4.1) 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. During the year, we amended and expanded our bank credit facilities, further strengthening our financial and liquidity position. For further details regarding the amendments, refer to the "Cash from Financing Activities" discussion below and Note 22 - Borrowings in the notes to the annual financial statements.

Cash from Operating Activities

Working Capital		
In thousands of dollars	**December 31, 2021**	December 31, 2020
Current assets	$ 283,734	$ 268,571
Current liabilities	209,931	153,184
Working capital	$ 73,803	$ 115,387

Current assets are composed primarily of cash and cash equivalents and trade receivables and other (including a $3.1 million related party receivable from our GeoVerra joint venture related mainly to the settlement of our initial contributions and other normal course transactions, which are related party transactions, as described in the notes to our 2021 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 increase in trade receivables resulting from increased revenue activity and acquisitions made during 2021, a larger amount of prepaid expenses for cloud software, and an increase in value of our derivative financial instruments, offset by the use of cash for acquisition purposes.

Current liabilities are composed primarily of trade payables and other, and lease liabilities. It also includes income taxes payable. 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 and Reonomy acquisitions, offset by continued payment of restructuring provisions related to our 2020 global restructuring program.

As at December 31, 2021, trade receivables, net and contract assets (unbilled revenue on customer contracts) net of contract liabilities (deferred revenue) was $125.7 million, down 5.9% or $7.9 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 19.2% as at December 31, 2021, as compared to 23.4% as at December 31, 2020.

Our DSO from continuing operations was 72 days as at December 31, 2021, as compared to 84 days as at December 31, 2020, representing our ability to convert revenue into cash returning back to pre-COVID levels.

Current and long-term liabilities include amounts owing to the vendors of acquired businesses on account of excess working capital, contingent consideration payable, deferred purchase price payments and other closing adjustments. As at December 31, 2021, the amounts owing to the vendors of acquired businesses were $10.0 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 December 31, 2021, our total borrowings on our bank credit facilities amounted to $287.6 million, an increase of $164.6 million from December 31, 2020, primarily to fund the acquisitions of Finance Active and Reonomy. We intend to continue paying down the total outstanding balance with cash flows generated from our operations.

Loans under the bank credit facilities bear interest at a floating rate, based on the Canadian Prime rates, Canadian Bankers' Acceptance rates, U.S. Base rates, or SONIA, SOFR, and €STR rates plus, in each case, an applicable margin to those rates. The applicable margin for Canadian Bankers' Acceptance and SONIA, SOFR, and €STR borrowings depends on a trailing four-quarter calculation of the funded debt to EBITDA ratio. The weighted average effective rate of interest for the year ended December 31, 2021 on our bank credit facilities was 1.58%, as compared to 2.37% in 2020.

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 $1.5 million (December 31, 2020 - $1.1 million).

As at December 31, 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 December 31, 2021, we were in compliance with the financial covenants and other requirements of our amended bank credit facilities. The financial covenants are summarized below:

	December 31, 2021
Funded debt to EBITDA (maximum of 4.00:1)	2.47:1
Interest coverage (minimum of 3.00:1)	30.15:1

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	$ 287,594	$ -	$ 287,594	$ -	$ -
Lease obligations	77,185	15,667	29,455	17,592	14,471
Deferred consideration payables	6,921	3,461	3,460	-	-
Contingent consideration payables	200	-	200	-	-
Other liabilities	177,539	127,633	21,062	8,552	20,292
Total contractual obligations	$ 549,439	$ 146,761	$ 341,771	$ 26,144	$ 34,763

[1] Contractual obligations exclude aggregate unfunded capital contributions of $4.8 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	**Year ended December 31,**			
In thousands of dollars		**2021**		2020 [1]
Property, plant and equipment additions	$	5,965	$	3,580
Intangibles additions		4,664		770
Proceeds from disposal of property, plant and equipment and intangibles		-		(96)
Capital expenditures	$	10,629	$	4,254

[1] Capital expenditures related to the Geomatics discontinued operations for the year ended December 31, 2020 were $0.3 million. 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):

	Year ended December 31,		Quarter ended December 31,	
In thousands of dollars	**2021**	2020	**2021**	2020
Adjusted EBITDA	$ 109,755	$ 98,928	$ 25,861	$ 26,734
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 (1)	13,199	12,312	3,477	3,053
Depreciation of right-of-use assets	(12,119)	(11,210)	(3,209)	(2,706)
Depreciation of property, plant and equipment and amortization of intangibles	(34,463)	(30,404)	(9,815)	(7,511)
Acquisition and related transition (costs) income	(10,137)	887	(2,025)	(217)
Unrealized foreign exchange gain (loss) (2)	(1,104)	(165)	145	(382)
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles (2)	248	(457)	-	(454)
Share of profit (loss) of joint venture	1,187	459	745	9
Non-cash share-based compensation costs (3)	(19,455)	(10,261)	(6,178)	(2,133)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged (3)	2,040	(471)	1,035	(2,237)
Restructuring (costs) recovery	(15)	(11,984)	238	(3,374)
Gain (loss) on investments (4)	2,930	21	1,091	(1)
Impairment charge - leases	-	(36)	-	-
Other non-operating and/or non-recurring income (costs) (5)	(11,517)	(3,429)	(2,944)	(1,631)
Earnings (loss) from continuing operations before finance costs and income taxes	40,549	44,190	8,421	9,150
Finance (costs) income, net - leases	(2,219)	(2,494)	(515)	(584)
Finance (costs) income, net - other	(4,130)	(4,138)	(1,322)	(716)
Profit (loss) from continuing operations before income taxes	34,200	37,558	6,584	7,850
Income tax (expense) recovery	(8,627)	(10,549)	306	(3,228)
Profit (loss) for the period from continuing operations	$ 25,573	$ 27,009	$ 6,890	$ 4,622
Profit (loss) for the period from discontinued operations	-	(5,576)	-	(276)
Profit (loss) for the period	$ 25,573	$ 21,433	$ 6,890	$ 4,346

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

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

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

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

(5) Other non-operating and/or non-recurring income (costs) for the year and quarter ended December 31, 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 year and quarter ended December 31, 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 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):

	Year ended December 31,		Quarter ended December 31,	
In thousands of dollars, except for per share amounts	**2021**	2020	**2021**	2020
Profit (loss) for the period	$ 25,573	$ 21,433	$ 6,890	$ 4,346
(Profit) loss for the period from discontinued operations	-	5,576	-	276
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 [(1)]	(13,199)	(12,312)	(3,477)	(3,053)
Depreciation of right-of-use assets	12,119	11,210	3,209	2,706
Finance costs (income), net - leases	2,219	2,494	515	584
Amortization of intangibles of acquired businesses	28,435	23,533	7,654	5,724
Unrealized foreign exchange loss (gain)	1,104	165	(145)	382
Loss (gain) on disposal of right-of-use assets, property, plant and equipment and intangibles	(248)	457	-	454
Non-cash share-based compensation costs	19,455	10,261	6,178	2,133
Loss (gain) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged	(2,040)	471	(1,035)	2,237
Interest accretion on contingent consideration payables	-	102	-	-
Restructuring costs (recovery)	15	11,984	(238)	3,374
Loss (gain) on hedging transactions, including currency forward contracts and interest expense (income) on swaps	-	138	-	-
Acquisition and related transition costs (income)	10,137	(887)	2,025	217
Loss (gain) on investments	(2,930)	(21)	(1,091)	1
Share of loss (profit) of joint venture	(1,187)	(459)	(745)	(9)
Impairment charge - leases	-	36	-	-
Other non-operating and/or non-recurring costs (income)	11,517	3,429	2,944	1,631
Tax impact on above	(10,656)	(9,836)	(3,840)	(2,933)
Adjusted earnings (loss) for the period	$ 80,314	$ 67,774	$ 18,844	$ 18,070
Weighted average number of shares - basic	41,684,077	40,158,543	43,945,167	40,379,692
Weighted average number of restricted shares	580,280	351,452	680,150	345,089
Weighted average number of shares - adjusted	42,264,357	40,509,995	44,625,317	40,724,781
Adjusted earnings (loss) per share [(2)]	$1.90	$1.67	$0.42	$0.44

(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) Refer to page 4 of this MD&A for the definition of Adjusted EPS.

Summary of Quarterly Results

In thousands of dollars, except for per share amounts	**Fiscal 2021**	**Dec 31 2021**	Sep 30 2021	Jun 30 2021	Mar 31 2021	Fiscal 2020	Dec 31 2020	Sep 30 2020	Jun 30 2020	Mar 31 2020
Results of Operations										
Revenues	$ 625,387	$ 162,909	$ 151,797	$ 173,523	$ 137,158	$ 561,156	$ 139,480	$ 134,950	$ 155,470	$ 131,256
Adjusted EBITDA	$ 109,755	$ 25,861	$ 24,415	$ 42,239	$ 17,240	$ 98,928	$ 26,734	$ 24,047	$ 34,899	$ 13,248
Adjusted EBITDA margin	17.5%	15.9%	16.1%	24.3%	12.6%	17.6%	19.2%	17.8%	22.4%	10.1%
Profit (loss) for the period from continuing operations	$ 25,573	$ 6,890	$ (295)	$ 16,341	$ 2,637	$ 27,009	$ 4,622	$ 9,297	$ 11,333	$ 1,757
Profit (loss) for the period from discontinued operations	$ -	$ -	$ -	$ -	$ -	$ (5,576)	$ (276)	$ (130)	$ 266	$ (5,436)
Basic earnings (loss) per share:										
Continuing operations	$0.62	$0.16	$(0.01)	$0.40	$0.07	$0.67	$0.11	$0.23	$0.28	$0.04
Discontinued operations	$0.00	$0.00	$0.00	$0.00	$0.00	$(0.14)	$(0.01)	$0.00	$0.01	$(0.14)
Diluted earnings (loss) per share:										
Continuing operations	$0.60	$0.15	$(0.01)	$0.39	$0.06	$0.66	$0.11	$0.22	$0.28	$0.04
Discontinued operations	$0.00	$0.00	$0.00	$0.00	$0.00	$(0.14)	$(0.01)	$0.00	$0.01	$(0.13)
Adjusted earnings (loss) per share	$1.90	$0.42	$0.39	$0.75	$0.34	$1.67	$0.44	$0.40	$0.62	$0.20
Weighted average number shares ('000s):										
Basic	41,684	43,945	41,159	41,049	40,552	40,159	40,380	40,240	40,115	39,896
Diluted	42,899	45,269	41,159	42,116	41,642	41,209	41,532	41,348	41,039	40,869

Our global Property Tax practice (which made up approximately 42% of total consolidated revenues in 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.

Selected Annual Information

Selected Financial Information						
In thousands of dollars, except for per share amounts		**2021**		2020		2019
Operations						
Revenues	$	625,387	$	561,156	$	525,717
Adjusted EBITDA	$	109,755	$	98,928	$	84,709
Adjusted EBITDA margin		17.5%		17.6%		16.1%
Profit (loss) from continuing operations	$	25,573	$	27,009	$	23,891
Profit (loss) from discontinued operations	$	-	$	(5,576)	$	(5,697)
Profit (loss)	$	25,573	$	21,433	$	18,194
Earnings (loss) per share:						
Basic						
Continuing operations		$0.62		$0.67		$0.61
Discontinued operations		$0.00		$(0.14)		$(0.14)
Diluted						
Continuing operations		$0.60		$0.66		$0.60
Discontinued operations		$0.00		$(0.14)		$(0.14)
Adjusted		$1.90		$1.67		$1.43
Dividends declared per share		$0.60		$0.60		$0.60

For the year ended December 31,

Balance Sheet						At December 31,
		2021		2020		2019
Total assets	$	1,199,200	$	735,400	$	735,125
Long-term liabilities (excluding deferred income taxes)		372,042		191,521		79,950

Revenues were $625.4 million for the year ended December 31, 2021, up 11.4% from 2020, of which approximately 6.3% was from acquisitions. Adjusted EBITDA was $109.8 million for the year at a margin of 17.5%, up 10.9% from 2020, and profit (loss) for the year was $25.6 million.

Revenues were $561.2 million for the year ended December 31, 2020, up 6.7% from 2019, of which approximately 1.5% was from acquisitions. Adjusted EBITDA was $98.9 million for the year at a margin of 17.6%, up 16.8% from 2019, and profit (loss) for the year was $21.4 million.

Revenues were $525.7 million for the year ended December 31, 2019, up 12.6% from 2018, of which approximately 2.7% was from acquisitions. Adjusted EBITDA was $84.7 million for the year at a margin of 16.1%, up 25.9% from 2018, and profit (loss) for the year was $18.2 million.

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

Selected Highlights for 2020

Altus Data Studio Launch
In February 2020, we launched Altus Data Studio, which combined our legacy RealNet and Altus InSite products into one core platform. Altus Data Studio provides significant enhancements to the user experience and robust data visualization capabilities for our comprehensive coverage on the Canadian residential, office, industrial and CRE investment markets.

Amendment to Credit Facilities
On March 24, 2020, we amended and expanded our bank credit facilities to further strengthen our financial and liquidity position. The amended credit facilities increase our borrowing capacity to $275 million from $200 million, with certain provisions that allow us to further increase the limit to $350 million. The amended agreement extends the term by three years expiring March 24, 2023, with an additional two-year extension available at our option. The other significant amendment is that the bank credit facilities are unsecured.

Long-Term Equity Incentive Plan Revision
On May 6, 2020, our shareholders approved a resolution to increase the number of authorized common shares to be reserved for issuance under our Long-Term Equity Incentive Plan and to ratify the grant of awards made under it to executives and key employees. The resolution increases the maximum number of common shares reserved for issuance by 1,850,000 to 4,075,000.

Restructuring Activities
Beginning in Q2 2020, we initiated a global restructuring program across all our business segments which resulted in one-time restructuring costs of $12.0 million and $3.4 million for the year and quarter ended December 31, 2020, respectively, of which $4.7 million and $0.7 million related to Altus Analytics, and the balance to CRE Consulting and Corporate segments. These costs relate primarily to employee severance costs. The restructuring was planned as part of our strategy to continue to focus and invest in technology and information services platforms.

Geomatics Spin-Off and Investment in the GeoVerra Joint Venture
On June 27, 2020, the previously announced transaction to divest of the Geomatics business by way of a joint venture structure with WSP Global Inc. closed. The combined entity launched as GeoVerra, forming a leading Canadian geomatics firm with offices and employees in Western Canada and Ontario. We contributed $14.9 million in cash and certain net assets in exchange for a 49.5% equity interest in GeoVerra that provides joint control through an equal 50% of the voting rights, resulting in a gain of $0.5 million. We account for our investment as a joint venture using the equity method.

CEO Transition
Effective September 30, 2020, Robert Courteau retired as CEO of Altus and was succeeded by Michael Gordon.

ARGUS Enterprise 13 Release
In October 2020, we released AE 13, which included enhancements for multi-family and mixed-use assets, improved German valuation functionality, increased visibility and reporting, and enhanced user experience with federated single sign-on. For many of our large customers, the single sign-on is a key requirement for cloud adoption.

Acquisition of Property Tax Assistance Company Inc.

On December 1, 2020, we acquired certain operating assets of PTA for USD10.1 million (CAD13.1 million) in cash, subject to closing working capital adjustments of USD2.2 million (CAD2.9 million). As part of the transaction, we entered into non-compete agreements with key members of management of PTA. On closing, we paid cash of USD9.6 million (CAD12.5 million). In addition, we granted common shares of USD3.4 million (CAD4.4 million) to key members of management of PTA which were issued from treasury. The common shares will be held in escrow and will vest and be released equally over four years on each anniversary of the closing date, subject to continued employment and compliance with certain terms and conditions. PTA is a U.S. property tax consulting firm based in California that provides personal property and real estate tax services for commercial, industrial and multifamily properties.

Reached 1,000 AE Cloud Customer Milestone

In mid-December 2020, we surpassed over 1,000 cloud-enabled AE customers, reaching an important milestone in our cloud transition journey. The cloud-version of AE leverages data to deliver robust analytics and benchmarking capabilities and integration flexibility through APIs, allowing our customers to do more with their data to deliver greater visibility, increase efficiency and drive performance.

Selected Highlights for 2019

Altus Analytics Transition to Subscription Model

Starting in July 2019, we started to sell AE only on subscription terms to new customers (primarily on the cloud platform), while continuing to offer existing clients the option to license the software either on subscription terms (on the cloud or on-premise) or on-premise perpetual terms until the end of the year. The introduction of the new revenue and pricing model supports our strategy to migrate our current on-premise customers who are currently on maintenance contracts to cloud subscription contracts. As of the start of 2020, all of our Altus Analytics software products are being sold only on a subscription-based model.

ARGUS Enterprise Made Available on the Cloud

In July 2019, we launched AE 12, a new version of AE powered by ARGUS Cloud. AE 12 builds on the strength of our industry leading CRE valuation capabilities and now includes cloud-only deployment and multi-instance support of AE, new benchmarking and dashboard functionality, enhanced workflows through integration with ARGUS Taliance and ARGUS Voyanta, and support for German and French market valuations.

Acquisition of One11 Advisors, LLC

On July 1, 2019, we acquired all the issued and outstanding shares of One11 and its subsidiaries for USD11.0 million (CAD14.4 million) in cash and common shares, subject to closing working capital adjustments of USD0.6 million (CAD0.8 million). As part of the transaction, we entered into non-compete agreements with key members of management of One11. On closing, we paid cash of USD7.7 million (CAD10.1 million). Common shares valued at USD3.3 million (CAD4.3 million) were issued from treasury. The common shares will be held in escrow and released on the fourth anniversary of the closing date, subject to compliance with certain terms and conditions. One11 is a U.S.-based real estate software consulting firm that provides integrated advisory and managed services for real estate organizations' front-to-back-office strategies, processes and technology. The addition of One11, and its 20 employees, strengthens our Altus Analytics software services and managed services offerings.

Acquisition of Caruthers & Associates, Inc.
On July 1, 2019, we acquired certain operating assets of Caruthers for USD4.0 million (CAD5.2 million) in cash, common shares and contingent consideration, subject to working capital adjustments of USD0.1 million (CAD0.2 million). As part of the transaction, we entered into a non-compete agreement with a key member of management of Caruthers. As consideration for these assets, we paid cash of USD2.0 million (CAD2.6 million), and issued common shares valued at USD1.0 million (CAD1.3 million) from treasury. The common shares will be held in escrow and released on the third anniversary of the closing date, subject to compliance with certain terms and conditions. The purchase agreement provides for contingent consideration of USD1.0 million (CAD1.3 million), subject to certain performance targets being achieved over a 30-month period from the closing date. If mutually agreed upon, the contingent consideration may be settled in cash or by the issuance of common shares. Caruthers is a U.S.-based property tax consulting firm. Its team of seven employees based out of Memphis were integrated with our U.S. Property Tax business, expanding our geographic footprint in tax services in the U.S.

Share Data

As at February 23, 2022, 44,113,385 common shares were outstanding and are net of 703,338 treasury shares. These treasury shares are shares held by Altus, 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 December 31, 2021, there were 1,469,881 share options outstanding (December 31, 2020 - 1,791,682 share options outstanding) at a weighted average exercise price of $41.39 per share (December 31, 2020 - $35.78 per share) and 454,286 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 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 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 common shares at the relevant average market price paid in respect of satisfying this reinvestment plan.

For the year ended December 31, 2021, 59,423 common shares (2020 - 56,027 common shares) were issued under the DRIP.

Financial Instruments and Other Instruments

Financial instruments held in the normal course of business included in our consolidated balance sheet as at December 31, 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 December 31, 2021 was approximately $28.1 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 December 31, 2021, we have equity derivatives relating to RSUs and DSUs outstanding with a notional amount of $14.7 million. The net fair value of these derivatives is $21.5 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 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.

Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. It also requires management to exercise its judgment in applying our accounting policies and the reported amounts of assets and liabilities, revenue and expenses, and related disclosures. Estimates and judgments are continually evaluated and are based on current facts, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results.

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 December 31, 2021 financial statements reflect management's best estimates as of the year 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, 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 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 financial statements.

The following discussion sets forth management's most significant estimates and assumptions in determining the value of assets and liabilities and the most significant judgments in applying accounting policies.

Revenue Recognition and Determination and Allocation of the Transaction Price

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

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

Impairment of Trade Receivables and Contract Assets

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

Estimated Impairment of Goodwill

We test at least annually whether goodwill is subject to any impairment. Goodwill impairment is evaluated between annual tests upon the occurrence of events or changes in circumstances. Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or group of CGUs that are expected to benefit from synergies of the business combination in which the goodwill arose. Goodwill is tested for impairment in the groups of CGUs for which it is monitored by management. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount for any CGU is determined based on the higher of fair value less costs to sell and value in use. Both of the valuation approaches require the use of estimates. Significant erosion in the general state of the economy could result in increased impairment losses. For the year ended December 31, 2021, no goodwill impairment charge was recorded (2020 - $nil).

Determination of Purchase Price Allocations and Contingent Consideration

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

performance results that differ from our estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss.

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

Changes in Significant Accounting Policies and Estimates

Adoption of Recent Accounting Pronouncements

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform
In September 2019, the IASB issued amendments to IFRS 7, *Financial Instruments and Disclosures*, IFRS 9, *Financial Instruments*, and IAS 39, *Financial Instruments: Recognition and Measurement*, to provide reliefs applying to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments were effective for annual periods beginning on or after January 1, 2020.

In August 2020, the IASB issued further amendments to provide a practical expedient from discontinuing hedging relationships and the related hedge accounting treatment as a result of the interest rate benchmark reform as well as additional disclosures. The disclosures are to provide additional information on the effect of the reform on our financial instruments and risk management strategy. These amendments apply retrospectively and are effective for annual periods beginning on or after January 1, 2021 with earlier application permitted; however, companies are not required to restate prior periods. These amendments had no impact on our financial statements.

Amendment to IFRS 16, COVID-19-Related Rent Concessions beyond June 30, 2021
In March 2021, the IASB extended, by one year, the May 2020 amendment that permits lessees, as a practical expedient, not to assess whether particular rent concessions that reduce lease payments occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.

The amendment is effective for annual periods beginning on or after April 1, 2021, with earlier application permitted. The amendment did not have an impact on our financial statements.

Future Accounting Pronouncements

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

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

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

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

On July 15, 2020, the IASB issued a deferral of the effective date for the new guidance by one year to annual periods beginning on or after January 1, 2023 and is to be applied retrospectively. We have not yet determined the impact of these amendments on our financial statements.

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 will be effective for annual periods beginning on or after January 1, 2022 and is to be applied to contracts that have unfulfilled obligations as at the beginning of that period. We expect the impact of these amendments on our financial statements to not be material.

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 must be applied prospectively. We have not yet determined the impact of these amendments on our financial statements.

Amendments to IAS 8: Definition of Accounting Estimate

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

The new guidance will be effective for annual periods beginning on or after January 1, 2023, with earlier application permitted, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

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

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

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

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

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

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

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

Section 3.3(1)(b) of NI 52-109 allows an issuer to limit its design of DC&P and ICFR to exclude controls, policies and procedures of a business that the issuer acquired not exceeding 365 days from the date of acquisition.

Management has limited the scope of the design of DC&P and ICFR, consistent with previous practice, to exclude controls, policies and procedures of Finance Active acquired on April 1, 2021, StratoDem Analytics acquired on May 4, 2021 and Reonomy acquired on November 12, 2021.

Financial information of the businesses acquired is summarized below.

Balance sheet data for Finance Active:

In thousands of dollars		**December 31, 2021**
Assets	$	196,034
Liabilities		(57,917)
Equity		138,117

Income statement data for Finance Active:

In thousands of dollars		**Year ended December 31, 2021**
Revenues	$	26,092
Expenses		33,211
Profit (loss)		(7,119)
Adjusted EBITDA		3,719

Income statement data for StratoDem Analytics:

In thousands of dollars		**Year ended December 31, 2021**
Revenues	$	338
Expenses		(2,358)
Profit (loss)		(2,020)
Adjusted EBITDA		(843)

Balance sheet data for Reonomy:

In thousands of dollars		**December 31, 2021**
Assets	$	300,625
Liabilities		(28,456)
Equity		272,169

Income statement data for Reonomy:

In thousands of dollars		**Year ended December 31, 2021**
Revenues	$	2,554
Expenses		5,901
Profit (loss)		(3,347)
Adjusted EBITDA		(3,029)

Management has caused to be evaluated under its supervision the effectiveness of its DC&P as of December 31, 2021 and has concluded that the design and effectiveness of these controls and procedures provide reasonable assurance that material information relating to Altus, including our consolidated subsidiaries, was made known to management on a timely basis to ensure adequate disclosure.

Management has caused to be evaluated under its supervision the effectiveness of its ICFR as of December 31, 2021 using the COSO framework. Management has concluded that the overall design and effectiveness of these controls provide reasonable assurance of the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.

There have been no significant changes in our internal controls over financial reporting that occurred for the quarter ended December 31, 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 financial statements as at and for the year ended December 31, 2021.

Key Factors Affecting the Business

The risks and uncertainties that could significantly affect our business, prospects, financial condition and future results of operations are summarized below.

General State of the Economy
Our business is affected by general economic conditions, including international, national, regional and local economic conditions, all of which are outside of our control. In addition, the COVID-19 pandemic has created increased economic uncertainty. Economic slowdowns or downturns, adverse economic conditions, cyclical trends, increases in interest rates, variations in currency exchange rates, reduced client spending and other factors could have a material adverse effect on our business, prospects, financial condition and results of operations. Although our operations are functionally and geographically diversified with a high degree of revenue stability protected from CRE market cyclicality, significant erosion in levels of activity in any segment in which we operate could have a negative impact on our business, prospects, financial condition and results of operations.

COVID-19 Pandemic
The extent to which the COVID-19 pandemic may impact our business is uncertain and it could materially adversely affect our prospects, financial condition and results of operations. The COVID-19 pandemic and related public health developments, including government recommendations and measures to limit the spread which include travel restrictions, temporary closures of businesses and the adoption of remote working, continue to adversely affect workforces, economies, and financial markets globally and contributes to macroeconomic uncertainty.The duration, extent and severity of the impact the COVID-19 pandemic, including measures to prevent its spread, will have on our business remains uncertain and difficult to predict at this time. While we were able to transition to remote working without significant disruption, some of our customers and prospects' operations have been disrupted. As of the date of this MD&A, many of our offices, clients and prospects 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.

Financial Performance
Our future revenue and earnings growth is dependent on our ability to execute our strategic plan and effectively manage our growth. This includes growing our customer base, retaining existing customers, and expanding our customers' usage and adoption of our offerings and services on favourable terms. Customer retention and acquisition could be influenced by a number of factors, including customer satisfaction, pricing and relative value of our offerings, changes in products and services, clients' preference to rotate appraisal mandates, reputation, and actions taken by competitors. A failure to effectively manage our growth and strategic plan could have a material adverse effect on our business, prospects, financial condition and results of operations. Also, our revenue, cash flow, operating results and profitability may experience fluctuations from quarter to quarter, based on project and contractual terms and conditions for the billing and rendering of services.

Financial Targets
Our long-range financial targets are predicated on certain assumptions, including revenue growth, retention rates, foreign currency exchange rates, and operating margin improvement expectations, that we may fail to achieve, which could reduce our expected earnings and cause us to fail to meet the expectations of analysts and investors and cause the price of our securities to decline.

CRE Market Conditions
Although we are broadly diversified, both geographically and by business offering, with a high degree of revenue stability protected from CRE market cyclicality, our business is affected by the state of CRE as an investment asset class. Prolonged economic slowdowns triggered by credit liquidity, interest rates, regulatory policy, tax policy, etc., could negatively impact the market and result in reduced sales and consulting service engagements. This could have a material adverse effect on our business, prospects, financial condition, liquidity and results of operations.

Acquisitions
We intend to acquire new businesses and technologies as part of our strategy to grow our business. From time to time, we may also consider opportunities to engage in joint ventures or other business collaborations with third parties to address particular market segments. Pursuing these activities may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions or joint ventures, whether or not they are consummated. Acquisitions may increase the size of our operations, create additional demands on our resources, systems and procedures, disrupt our ongoing business and increase the amount of indebtedness that we may have to service. The successful integration and management of acquired businesses and technologies involve numerous risks and there is no assurance that we will be able to successfully integrate such acquisitions. Further, if we do not achieve the expected return on our investments, it could impair the intangible assets and goodwill that we record as part of an acquisition, which could require us to record a reduction to the value of those assets. Such failure could adversely affect our business, prospects, financial condition and results of operations.

Our inability to take advantage of growth opportunities for our business or for our products, or to address risks associated with acquisitions or investments in businesses, may negatively affect our operating results. If we do complete these kinds of transactions, we cannot be sure that they will ultimately strengthen our competitive position or that they will not be viewed negatively by customers, securities analysts or investors. Although the CRE market remains highly fragmented, ongoing consolidation activity may limit

our ability to find suitable acquisition targets. It is possible that irrational buyer behavior in the market could drive valuations higher than before, which can significantly impact our ability to close transactions on mutually favorable terms.

Industry Competition

Competing effectively against other CRE service, software and data analytics providers is an important driver of our growth. We compete against a variety of companies ranging from small local firms to large multi-national firms and an increasing number of new market entrants. Further, in recent years there has been an increased volume of acquisitions and consolidation by and among our competitors, a trend we expect will continue into the foreseeable future. If any of our competitors implement new technologies before us, those competitors may be able to provide more effective solutions than ours at lower prices. Mergers or other strategic transactions involving our competitors or customers could also weaken our competitive position. These heightened competitive forces could impact our market share, sales, margins, and pricing strategies that could result in a material adverse effect on our business, prospects, financial condition and results of operations.

Business Interruption Events

Unforeseen business interruption events, such as natural disasters, geopolitical crisis, threats of war or terrorism, civil unrest, public health crises, loss of IT systems and connectivity, loss of access to key business applications, data breach disruptions, and other catastrophic events outside of our control could disrupt our business operations or our third party providers for prolonged periods of time, and depending on the severity, could adversely affect our business, prospects, financial condition and results of operations.

Third Party Information

The quality of our databases supporting certain of our products and service engagements depends substantially on information provided by a number of external sources. Additionally, we increasingly rely on third party providers and data sources to deliver our offerings on our platform. If we are unable to collect information from a significant number of these sources, or if there is any disruption to or interference with our use of these information sources, this could negatively impact certain of our products and our ability to deliver on client mandates, and may potentially result in subscriber cancellations and impair our ability to attract new users.

Cybersecurity

In the ordinary course of our business, we collect, store, process and/or transmit sensitive data belonging to clients, partners, vendors, employees and contractors as well as our own proprietary business information and intellectual property. Additionally, we are increasingly relying on third party data storage providers, including cloud storage solution providers, resulting in less direct control over our data and system processing. The secure processing, maintenance and transmission of this information is critical to our workflow operations and the delivery of products and services to our clients. Despite the improved security measures we have implemented, our data, systems and infrastructure, or those of third party providers, may be vulnerable to physical or electronic theft, fire, power loss, computer and telecommunication failures, cyber-attacks, viruses, worms or breaches due to employee error, malfeasance or other disruptions. Advances in computer capabilities, hacking techniques or other developments may result in a compromise or breach of the technology used to protect confidential information and we or our third party providers may be unable to anticipate, timely identify or appropriately respond to such incidents. Servers may also be vulnerable to malware and similar disruptions resulting from unauthorized

tampering with our and/or a third party's computer systems, which could lead to a loss of critical data or the unauthorized disclosure of confidential information. In addition, an extended period of our employees working in a remote work environment due to the COVID-19 pandemic could introduce operational risks, including heightened cybersecurity risk. Security breaches could materially compromise our information, disrupt our business operations or cause us to breach our client obligations or confidence in us thereby exposing us to liability, reputational harm and/or significant remediation costs. The theft, loss, corruption, exposure, fraudulent use or misuse of client or employee information, whether by third parties or as a result of employee malfeasance, could result in significant remediation and other costs, fines, indemnity obligations, litigation or regulatory actions against us, as well as negatively impact our competitive position and affect our financial results.

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: regulatory investigation, lawsuits, or other potential liabilities resulting from the incident; costs related to the effectiveness of our mitigation and remediation efforts; our ability to recover proceeds under our insurance policies; 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.

Professional Talent

Our success, ability to grow, and ability to deliver on client mandates are, in part, dependent on the expertise, experience and efforts of our professionals, and our ability to attract, motivate and retain qualified professionals. Competition for employees with the qualifications we desire, particularly with CRE, CRE technology and information solutions experience, is intense and puts upward pressure on compensation costs. We expect that competition for qualified professionals will continue to increase, thereby causing compensation costs to escalate. Should we be unable to attract and retain professionals that meet the desired level of skills and ability, it could adversely impact our succession planning, revenues and profitability.

Our broad-based compensation program includes equity-based compensation including deferred share units, restricted share units, performance share units and stock options, which are important tools to attract, motivate and retain employees in our industry. If our share price performs poorly, or if our compensation program does not remain competitive, it may adversely affect our ability to attract, motivate and retain employees. We continually evaluate the effectiveness and competitiveness of our compensation program and its impact on the amount of equity-based compensation expense that we incur.

Cloud Transition

We are in a multi-year process of transitioning our Altus Analytics business segment to a SaaS business by migrating our on-premise software customers to the cloud and offering all of our solutions on Over Time subscription contracts. Migrating our legacy on-premise customers to the cloud platform is core to our long-term strategy and has required considerable additional investments. If moving our customers to a cloud environment takes longer than we anticipate, or if customers do not adopt cloud licenses in the timeframe that we expect, our revenues and earnings may not achieve expected levels. Our ability to achieve our business and financial objectives through the transition is subject to uncertainties, including: customer demand, renewal rates, our ability to further develop and scale infrastructure, our ability to

develop new functionality that addresses customer requirements, and our costs. If we fail to successfully manage our business model transition or are unsuccessful due to these uncertainties, our business, prospects, financial condition and results of operations could be adversely impacted.

Subscription Renewals

Although our software and data analytics solutions are designed to increase the number of customers that purchase our solutions as subscriptions and create a recurring revenue stream that increases and is more predictable over time, our customers are not required to renew their subscriptions for our solutions and they may elect not to renew when or as we expect. Customer renewal rates may decline or fluctuate due to a number of factors, including offering pricing, competitive offerings, customer satisfaction, reductions in customer spending levels or customer activity due to economic downturns, and other market uncertainty. If our customers do not renew their subscriptions when or as we expect, or if they renew on less favorable terms than expected, our revenues and earnings may be adversely impacted.

Sales Pipeline

Our forecast is built on a pipeline of client opportunities at varying stages within the sales process. Our ability to achieve the forecast is dependent on completion of the sales cycle and client acceptance of mutually agreeable terms. Certain factors are beyond our control, including our clients' evaluation of our offerings, budgetary constraints, timing of their approval processes, etc. Our pipeline of opportunities may not close on terms and/or timing in line with our forecast. This may have a material positive or negative effect on our anticipated revenues in any given period.

Enterprise Transactions

Our Altus Analytics business is becoming more dependent on large enterprise transactions that have longer and less predictable sales cycles, which could have a positive or negative effect on the amount, timing and predictability of our revenue in any given period. The length of our sales cycles makes us susceptible to having pending transactions delayed or terminated by our clients for any reason, including global economic conditions.

Customer Concentration and Loss of Material Clients

Although we are not dependent on one or a small number of clients, certain of our business segments have significant clients. The loss of any significant client that contributes a substantial portion to that business segments' revenues could have a negative impact on our revenues and could impact our ability to attract and retain other clients.

Product Enhancements and New Product Introductions

Our ability to generate future revenues from software is dependent upon meeting the changing needs of the CRE market and evolving industry standards through new product introductions and product enhancements that respond to the technological change of our clients and the CRE industry. As we launch product enhancements or introduce new products and capabilities, client adoption may not achieve anticipated levels and may impact our reputation and competitive position. If our new or existing offerings or enhancements and changes are not released on a timely basis to keep pace with technological developments or do not achieve adequate acceptance in the market, our competitive position will be impaired, and our revenue, business and financial results will be negatively impacted, particularly given the expenses we will have incurred in connection with the new offerings or enhancements. If cash flows

from new products do not reach sufficient levels, asset impairments may need to be taken on any capitalized costs related to the development of the products.

Technology Strategy

Our business relies on the use of information technology systems to deliver expert services, data and software solutions to our clients. Our growing cloud solutions also require ongoing infrastructure investments. If we are unable to effectively implement our information technology strategies or adopt new technologies and technology-enabled processes relevant to our offerings in a timely or cost-effective manner, or if our employees fail to adopt in an effective and timely manner new technologies or technology-enabled processes, then our ability to deliver services and solutions that meet client needs or our ability to remain competitive in the market may be materially impaired. Further, if our technology investments do not yield the expected returns, our financial results and profitability could be impacted.

Intellectual Property

We rely on protecting our intellectual property rights including copyrights, trademarks, trade secrets, databases and methodologies, which have been important factors in maintaining our competitive position. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to obtain and use information that we regard as proprietary. Additionally, due to the differences in foreign trademark, patent and other intellectual property or proprietary rights laws, we may not receive the same protection in other countries as we would in Canada. Intellectual property protections may also be unavailable, limited or difficult to enforce in some countries, which could make it easier for competitors to capture market share. Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products or services infringe their intellectual property rights. There can be no assurance that we will be successful in protecting or defending our proprietary rights and, if we are not, our business, financial condition, liquidity and results of operations could be materially adversely affected. Responding to such claims could result in substantial expense, damages, injunctive relief and/or diversion of our resources. We may also be required to indemnify customers pursuant to our indemnification obligations, enter into licensing agreements on unfavourable terms or redesign or stop selling affected products, which could materially disrupt the conduct of our business.

Property Tax Appeals and Seasonality

Our Property Tax practice is significantly influenced by property tax assessment regulators and their appeal settlement processes. The timing and volume of appeals processed and whether the outcomes are favourable may cause fluctuations on a quarterly and annual basis, in addition to spillover effects outside any particular valuation cycle. Additionally, we expect to experience typical quarterly variability in our financial performance of our Property Tax practice, including the second quarter being our seasonally strongest quarter. As experienced in 2021, the ongoing COVID-19 pandemic could continue to potentially impact some of these typical variations, and cause some short-term disruption related to the anticipated timing of settlements. This may have a material positive or negative effect on our anticipated revenues in any given period.

Legislative and Regulatory Changes

Changes to any of the laws, rules, regulations or policies affecting our business would have an impact on our business. Certain elements of our business are influenced by the regulatory environment of our clients, such as the requirement for pension fund managers to obtain property valuations on an annual basis. In

addition, elements of our business, such as our Property Tax practice area, are significantly influenced by the regulatory regime and any changes thereto. Any change to laws, rules, regulations or policies may significantly and adversely affect our operations and financial performance.

Privacy and Data Protection

Privacy and security concerns, including evolving laws and regulations in these areas, could adversely affect our business and operating results. Our operations are used to transmit and store data, including personal information. This information is increasingly subject to legislation and regulations in numerous jurisdictions around the world that is intended to protect the privacy and security of personal information as well as the collection, storage, transmission, use and disclosure of this information. The interpretation of privacy and data protection laws in a number of jurisdictions is constantly evolving. There is a risk that these laws may be interpreted and applied in conflicting ways from country to country. Many of these laws and regulations, including Canada's Personal Information Protection and Electronic Documents Act, and the European Union's General Data Protection Regulation ("GDPR") contain detailed requirements regarding collecting and processing personal information, and impose certain limitations on how this information may be used, how long it may be stored, and the effectiveness of consumer consent. Certain laws and regulations, like the GDPR, also include restrictions on the transfer of personal information across jurisdictional borders. Since our products and services are accessible worldwide, certain foreign jurisdictions may claim that we are required to comply with these laws even in jurisdictions where we have no local entity, employees or infrastructure. Complying with these varying international requirements could cause us to incur additional costs and change our business practices. We could be adversely affected if laws or regulations are expanded to require changes in our products or business practices, if governmental authorities in the jurisdictions in which we do business interpret or implement their laws or regulations in ways that negatively affect our business or if customers or other parties allege that their personal information was misappropriated as a result of a defect or vulnerability in our products. This could reduce the demand for our products if we fail to design or enhance our products to enable our customers to comply with the privacy and security measures required in relevant jurisdictions. If we are required to allocate significant resources to modify our products or our existing security procedures for the personal information that our products transmit, our business, prospects, financial condition and results of operations may be adversely affected.

Brand & Reputation

Maintaining and enhancing the recognition and reputation of our brands in a cost-effective manner is critical to our business and future growth. A number of factors, many of which are beyond our control, could influence this, including our ability to comply with ethical, social and environmental standards. Any actual or perceived failure in compliance with such standards could damage our reputation and brands. Brand promotion activities may not generate customer awareness or increase revenues and, even if they do, any increase in revenues may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, or incur substantial expenses, we could have a material adverse effect on our brand reputation, employee retention/attraction, and customer demand, which could adversely affect our business, prospects, financial condition and results of operations

Fixed-Price and Contingency Engagements

A portion of our revenues comes from fixed-price engagements. A fixed-price engagement requires us to either perform all or a specified part of work under the engagement for a specified lump sum payment. Fixed-price engagements expose us to a number of risks not inherent in cost-plus engagements, including

underestimation of costs, ambiguities in specifications, unforeseen or changed costs or difficulties, problems with new technologies, delays beyond our control, failures of subcontractors to perform and economic or other changes that may occur during the term of engagement. Increasing reliance on fixed-price engagements and/or increases in the size of such engagements would increase the exposure to this risk. Economic loss under fixed-price engagements could have a material adverse effect on our business.

We are also engaged to provide services on a contingency basis at our Property Tax business, meaning that we receive our fees only if certain results are achieved. We may experience adverse financial effects from having devoted professional and other resources to a project, which, due to a failure to meet the contingency goals, are not recouped through fees.

Canadian Multi-Unit Residential Market

A significant part of our Canadian Cost practice's annual revenues are derived from the multi-unit residential development market. Any significant decline in the multi-unit residential development market could have a material adverse effect on our Canadian Cost practice's operating results.

Currency Fluctuations

Our reporting currency is the Canadian dollar. Our operations are primarily in Canada, the U.S., the U.K., Australia, and in various countries throughout Europe and Asia. Our exposure to foreign currency risk is primarily in the following areas:

- Profit (loss) generated by operations in foreign countries, which are translated into Canadian dollars using the average exchange rate;
- Net assets of foreign subsidiaries, which are translated into Canadian dollars using the period end exchange rate with any gains or losses recorded under accumulated other comprehensive income (loss) within shareholders' equity; and
- Non-Canadian dollar denominated monetary assets and liabilities, which are translated into Canadian dollars using the period end exchange rate with any gains or losses recorded through profit (loss).

The exchange rate between the Canadian dollar and the U.S. dollar ranged from $1.2741 on December 31, 2020 to $1.2697 on December 31, 2021. The exchange rate between the Canadian dollar and the British pound ranged from $1.7390 on December 31, 2020 to $1.7155 on December 31, 2021. The exchange rate between the Canadian dollar and the Australian dollar ranged from $0.9820 on December 31, 2020 to $0.9220 on December 31, 2021. For the year and quarter ended December 31, 2021, changes in exchange rates impacted consolidated revenues by 3.3% and 3.1%, respectively. For the year and quarter ended December 31, 2021, changes in exchange rates impacted consolidated Adjusted EBITDA by 4.2% and 4.6%, respectively.

Interest Rates

We are exposed to fluctuations in interest rates under our credit facilities. Significant increases in interest rates would cause our interest expenses to correspondingly increase and therefore have an adverse effect on our profitability.

Credit

We may be materially and adversely affected if the collectability of our trade receivables is impaired for any reason. In certain parts of our business, it is often common business practice to pay invoices over an extended period of time and/or at the completion of the project or upon receipt of funds. In addition, the

COVID-19 pandemic has introduced additional credit risk. This practice increases the risk and likelihood of future bad debts.

Income Tax Matters

In the ordinary course of business, we may be subject to audits by tax authorities. While management anticipates that our tax filing positions will be appropriate and supportable, it is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income and taxes payable, may be reviewed and challenged by the authorities. If such challenge were to succeed, it could have a material adverse effect on our tax position. Further, the interpretation of and changes in tax laws, whether by legislative or judicial action or decision, and the administrative policies and assessing practices of tax authorities, could materially adversely affect our tax position.

Health and Safety Hazards

Our employees are sometimes required to attend client worksites, including construction worksites in the case of our Canadian Cost practice. The activities at these worksites may involve certain operating hazards that can result in personal injury and loss of life. We have implemented health and safety policies and procedures as well as provide the required employee health and safety training programs. Despite these programs, there can be no assurance that our insurance will be sufficient or effective under all circumstances or against all claims or hazards to which we may be subject or that we will be able to continue to obtain adequate insurance protection. A successful claim for damage resulting from a hazard for which it is not fully insured could adversely affect our results of operations.

Contractual Obligations

Our success depends largely on our ability to fulfill our contractual obligations and ensure client satisfaction. If we fail to properly define the scope of our work, communicate the boundaries or use of the advice and reports we provide, define the limits of our liability, satisfactorily perform our obligations, or make professional errors in the advice or services that we provide, clients could terminate projects, refuse payment for our services or take legal action for the loss or harm they suffer, thereby exposing us to legal liability, loss of professional reputation, enhanced risk of loss and/or reduced profits.

Legal Proceedings

From time to time, we are threatened with, or are named as a defendant in, or may become subject to various legal proceedings in the ordinary course of conducting our business, including lawsuits based upon professional errors and omissions. A significant judgment against us, or the imposition of a significant fine or penalty as a result of a finding that we have failed to comply with laws, regulations, contractual obligations or other arrangements or professional standards, could have a significant adverse impact on our financial performance. Should any indemnities made in our favor in respect of certain assignments fail to be respected or enforced, we may suffer material adverse financial consequences.

Insurance Limits

Management believes that our professional errors and omissions insurance coverage and directors' and officers' liability insurance coverage address all material insurable risks, provide coverage that is similar to that which would be maintained by a prudent operator of a similar business and are subject to deductibles, limits and exclusions, which are customary or reasonable given the cost of procuring insurance and current operating conditions. However, there can be no assurance that such insurance will continue to be offered

on an economically affordable basis, that all events that could give rise to a loss or liability are insurable or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving our assets or operations.

Dividend Payments

We are focused on creating sustainable shareholder value that generates long-term returns by targeting organic and accretive growth while providing quarterly dividend payments of $0.15 per common share. Our ability to pay dividends is dependent on our operations and assets, and is subject to various factors including our financial performance, our obligations under applicable bank credit facilities, fluctuations in our working capital, the sustainability of our margins and our capital expenditure requirements.

Leverage and Financial Covenants

Our ability to pay dividends or make other payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing any indebtedness owed by us or our subsidiaries (including our bank credit facilities). The degree to which we are leveraged could have important consequences to our shareholders. For example, our ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; a significant portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing funds available for future operations; certain of our borrowings will be subject to variable rates of interests, which exposes us to the risk of increased interest rates; and we may be more vulnerable to economic downturns and be limited in our ability to withstand competitive pressures.

The bank credit facilities contain numerous financial covenants that limit the discretion of our management with respect to certain business matters. These covenants place significant restrictions on, among other things, our ability to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the bank credit facilities contain a number of financial covenants that require us to meet certain financial ratios and financial condition tests. Failure to comply with the obligations provided in the bank credit facilities could result in a default which, if not cured or waived, could result in the termination of dividends paid by us and accelerate the repayment of the relevant indebtedness. If repayments of indebtedness under the bank credit facilities were to be accelerated, there can be no assurance that our assets would be sufficient to repay the relevant indebtedness in full. There can be no assurance that future borrowings or equity financing will be available to us or available on acceptable terms, in an amount sufficient to fund our needs. If we are unable to obtain financing on the expiration of the bank credit facilities or are unable to obtain financing on favourable terms, our ability to pay dividends may be adversely affected.

Share Price

Our common shares do not necessarily trade at prices determined by reference to the underlying value of our business and cannot be predicted. The market price of the common shares may be subject to significant fluctuations in response to variations in quarterly operating results and other factors. In addition, securities markets have experienced significant price and volume fluctuations from time to time in recent years that are often unrelated or disproportionately related to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of our common shares.

Capital Investment
The timing and amount of our capital expenditures indirectly affects the amount of cash available for investments, debt payments or dividend payments. Dividends may be reduced, or even eliminated, at times when we deem it necessary to make significant capital or other expenditures. Further, if we do not achieve the expected returns on our investments, it could adversely affect our business, prospects, financial condition and results of operations.

Equity and Debt Financings
We intend to continue to make investments to support our business growth and may require additional funds to support our growth objectives. This may require us to pursue equity, equity-linked or debt financings to secure additional funds. We are authorized to issue an unlimited number of common shares for such consideration and on such terms and conditions as may be determined by the Board of Directors without shareholder approval, except as required by the TSX. The issuance of additional common shares may dilute the interests of current shareholders. Further, any debt financing that we may secure in the future could involve restrictive covenants and we may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business may be adversely affected.

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

LISTINGS

Toronto Stock Exchange
Stock trading symbol: AIF

AUDITORS

ERNST & YOUNG LLP

TRANSFER AGENT

TSX Trust Company
P.O. Box 700
Station B
Montreal, Quebec, Canada H3B 3K3
Toronto: (416) 682-3860
Toll-free throughout North America:
1 (800) 387-0825
Facsimile: 1-888-249-6189
Website: www.tsxtrust.com
Email: shareholderinquiries@tmx.com

HEADQUARTERS

33 Yonge Street, Suite 500
Toronto, Ontario, Canada M5E 1G4
Telephone: (416) 641-9500
Toll-free Telephone: 1 (877) 953-9948
Facsimile: (416) 641-9501
Website: www.altusgroup.com
Email: info@altusgroup.com