



Altus Group

Q1 2021

| Financial Statements

For the three months ended March 31, 2021

Altus Group Limited



Interim Condensed Consolidated Financial Statements

March 31, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars)

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Altus Group Limited



Interim Condensed Consolidated Statements of Comprehensive Income (Loss) For the Three Months Ended March 31, 2021 and 2020 (Unaudited)

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

		Three months ended March 31	
	Notes	2021	2020
Revenues	4	\$ 137,158	\$ 131,256
Expenses			
Employee compensation		93,220	88,355
Occupancy		1,870	2,071
Office and other operating		23,697	26,882
Depreciation of right-of-use assets		2,768	2,872
Depreciation of property, plant and equipment		1,255	1,323
Amortization of intangibles		5,517	6,394
Acquisition and related transition costs (income)		5,182	(1,176)
Share of (profit) loss of joint venture		389	-
Restructuring costs (recovery)	9	(49)	(25)
(Gain) loss on investments		(188)	(125)
Finance costs (income), net - leases	5	570	660
Finance costs (income), net - other	5	578	1,507
Profit (loss) from continuing operations before income taxes		2,349	2,518
Income tax expense (recovery)	6	(288)	761
Profit (loss) for the period from continuing operations		\$ 2,637	\$ 1,757
Profit (loss) for the period from discontinued operations		-	(5,436)
Profit (loss) for the period attributable to shareholders		\$ 2,637	\$ (3,679)
Other comprehensive income (loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Currency translation differences		(4,509)	21,666
Items that are not reclassified to profit or loss in subsequent periods:			
Change in fair value of FVOCI investments, net of tax		(258)	(1,250)
Other comprehensive income (loss), net of tax		(4,767)	20,416
Total comprehensive income (loss) for the period, net of tax, attributable to shareholders		\$ (2,130)	\$ 16,737
Earnings (loss) per share attributable to the shareholders of the Company during the period			
Basic earnings (loss) per share:			
Continuing operations	13	\$0.07	\$0.04
Discontinued operations	13	\$0.00	\$(0.14)
Diluted earnings (loss) per share:			
Continuing operations	13	\$0.06	\$0.04
Discontinued operations	13	\$0.00	\$(0.13)

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

Altus Group Limited



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

(Expressed in Thousands of Canadian Dollars)

	Notes	March 31, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents		\$ 69,072	\$ 69,637
Trade receivables and other	7	179,381	193,072
Income taxes recoverable		4,333	3,385
Derivative financial instruments		4,986	2,477
		257,772	268,571
Non-current assets			
Trade receivables and other	7	1,191	1,370
Derivative financial instruments		11,648	8,800
Investments	8	10,118	10,356
Investment in joint venture		14,920	15,309
Deferred tax assets		20,082	19,930
Right-of-use assets		56,015	51,690
Property, plant and equipment		19,258	20,376
Intangibles		72,325	77,928
Goodwill		258,610	261,070
		464,167	466,829
Total Assets		\$ 721,939	\$ 735,400
Liabilities			
Current liabilities			
Trade payables and other	9	\$ 113,900	\$ 140,294
Income taxes payable		1,441	1,190
Lease liabilities		11,401	11,700
Derivative financial instruments		2,854	-
		129,596	153,184
Non-current liabilities			
Trade payables and other	9	21,873	17,206
Lease liabilities		55,855	51,883
Borrowings	10	127,496	122,432
Deferred tax liabilities		6,310	7,246
		211,534	198,767
Total Liabilities		341,130	351,951
Shareholders' Equity			
Share capital	11	540,299	529,866
Contributed surplus		25,666	30,428
Accumulated other comprehensive income (loss)		36,024	40,791
Retained earnings (deficit)		(221,180)	(217,636)
Total Shareholders' Equity		380,809	383,449
Total Liabilities and Shareholders' Equity		\$ 721,939	\$ 735,400

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

Events After the Reporting Period (Note 17)

Altus Group Limited



Interim Condensed Consolidated Statements of Changes in Equity For the Three Months Ended March 31, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

	Notes	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholders' Equity
As at January 1, 2020		\$ 509,646	\$ 24,447	\$ 40,245	\$ (214,686)	\$ 359,652
Profit (loss) for the period		-	-	-	(3,679)	(3,679)
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	21,666	-	21,666
Change in fair value of FVOCI investments		-	-	(1,250)	-	(1,250)
Total comprehensive income (loss) for the period		-	-	20,416	(3,679)	16,737
Transactions with owners:						
Dividends declared		-	-	-	(6,071)	(6,071)
Share-based compensation		-	2,612	-	-	2,612
Dividend Reinvestment Plan		689	-	-	-	689
Shares issued on exercise of options		6,377	(986)	-	-	5,391
Shares issued for share-based compensation		2,608	(2,098)	-	-	510
Treasury shares reserved for share-based compensation		(4,527)	-	-	-	(4,527)
Release of treasury shares		2,961	(2,869)	-	-	92
Gain (loss) on sale of RSs and shares held in escrow		-	(2)	-	-	(2)
		8,108	(3,343)	-	(6,071)	(1,306)
As at March 31, 2020		\$ 517,754	\$ 21,104	\$ 60,661	\$ (224,436)	\$ 375,083
As at January 1, 2021		\$ 529,866	\$ 30,428	\$ 40,791	\$ (217,636)	\$ 383,449
Profit (loss) for the period		-	-	-	2,637	2,637
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	(4,509)	-	(4,509)
Change in fair value of FVOCI investments		-	-	(258)	-	(258)
Total comprehensive income (loss) for the period		-	-	(4,767)	2,637	(2,130)
Transactions with owners:						
Dividends declared	14	-	-	-	(6,181)	(6,181)
Share-based compensation	12	-	3,448	-	-	3,448
Dividend Reinvestment Plan	11	687	-	-	-	687
Shares issued on exercise of options	11, 12	8,334	(1,269)	-	-	7,065
Shares issued for share-based compensation	11, 12	2,585	(2,585)	-	-	-
Treasury shares reserved for share-based compensation	11, 12	(5,607)	-	-	-	(5,607)
Release of treasury shares	11, 12	4,434	(4,356)	-	-	78
		10,433	(4,762)	-	(6,181)	(510)
As at March 31, 2021		\$ 540,299	\$ 25,666	\$ 36,024	\$ (221,180)	\$ 380,809

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

Interim Condensed Consolidated Statements of Cash Flows For the Three Months Ended March 31, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

	Notes	Three months ended March 31	
		2021	2020 ⁽¹⁾
Cash flows from operating activities			
Profit (loss) from continuing operations before income taxes		\$ 2,349	\$ 2,518
Profit (loss) from discontinued operations before income taxes		-	(5,436)
Profit (loss) before income taxes		\$ 2,349	\$ (2,918)
Adjustments for:			
Depreciation of right-of-use assets		2,768	2,924
Depreciation of property, plant and equipment		1,255	1,434
Amortization of intangibles		5,517	6,395
Finance costs (income), net - leases	5	570	699
Finance costs (income), net - other	5	578	1,498
Share-based compensation	12	3,448	2,612
Unrealized foreign exchange (gain) loss		419	(772)
(Gain) loss on investments		(188)	(125)
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles		(238)	(32)
(Gain) loss on derivatives		(2,503)	1,436
Share of (profit) loss of joint venture		389	-
Fair value loss (gain) on net assets directly associated with discontinued operations		-	4,507
Net changes in operating working capital		(8,253)	(29,572)
Net cash generated by (used in) operations		6,111	(11,914)
Less: interest paid on borrowings		(511)	(1,164)
Less: interest paid on leases		(570)	(699)
Less: income taxes paid		(1,366)	(3,274)
Add: income taxes refunded		67	639
Net cash provided by (used in) operating activities		3,731	(16,412)
Cash flows from financing activities			
Proceeds from exercise of options	11, 12	7,065	5,391
Financing fees paid		-	(553)
Proceeds from borrowings	10	8,000	38,135
Repayment of borrowings	10	(3,000)	(17)
Payments of principal on lease liabilities		(2,873)	(3,863)
Dividends paid	14	(5,437)	(5,340)
Treasury shares purchased for share-based compensation	11, 12	(5,607)	(4,017)
Net cash provided by (used in) financing activities		(1,852)	29,736
Cash flows from investing activities			
Purchase of investments	8	(36)	(145)
Purchase of intangibles		(948)	(63)
Purchase of property, plant and equipment		(489)	(920)
Proceeds from disposal of property, plant and equipment and intangibles		-	53
Net cash provided by (used in) investing activities		(1,473)	(1,075)
Effect of foreign currency translation		(971)	2,357
Net increase (decrease) in cash and cash equivalents		(565)	14,606
Cash and cash equivalents, beginning of period		69,637	60,262
Cash and cash equivalents, end of period		\$ 69,072	\$ 74,868

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

⁽¹⁾ Included in cash and cash equivalents as at March 31, 2020 is \$3,710 related to discontinued operations.

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Notes to Interim Condensed Consolidated Financial Statements

March 31, 2021 and 2020

(Unaudited)

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

1. Business and Structure

Altus Group Limited (the "Company") is a leading provider of software, data solutions and independent advisory services to the global commercial real estate ("CRE") industry. The Company's businesses, Altus Analytics and Commercial Real Estate Consulting, reflect decades of experience, a range of expertise, and technology-enabled capabilities. The Company's solutions empower clients to analyze, gain insight and recognize value on their real estate investments. Headquartered in Canada, the Company has approximately 2,400 employees around the world, with operations in North America, Europe and Asia Pacific. The Company's clients include many of the world's largest CRE industry participants.

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

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

2. Basis of Preparation

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

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

These interim financial statements were approved by the Board of Directors for issue on May 6, 2021.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2021 and 2020

(Unaudited)

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

3. Critical Accounting Estimates and Judgments

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

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

4. Segmented Information

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

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

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Notes to Interim Condensed Consolidated Financial Statements

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(Unaudited)

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

4. Segmented Information, cont'd

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

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

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

Notes to Interim Condensed Consolidated Financial Statements March 31, 2021 and 2020 (Unaudited)

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

4. Segmented Information, cont'd

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

	Three months ended March 31, 2021	Three months ended March 31, 2020
Adjusted EBITDA	\$ 17,240	\$ 13,248
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 ⁽¹⁾	3,119	3,042
Depreciation of right-of-use assets	(2,768)	(2,872)
Depreciation of property, plant and equipment and amortization of intangibles	(6,772)	(7,717)
Acquisition and related transition (costs) income	(5,182)	1,176
Unrealized foreign exchange gain (loss) ⁽²⁾	(419)	772
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles ⁽²⁾	238	(14)
Share of profit (loss) of joint venture	(389)	-
Non-cash share-based compensation costs ⁽³⁾	(2,432)	(1,515)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged ⁽³⁾	625	(764)
Restructuring (costs) recovery	49	25
Gain (loss) on investments ⁽⁴⁾	188	125
Other non-operating and/or non-recurring income (costs) ⁽⁵⁾	-	(821)
Earnings (loss) from continuing operations before finance costs and income taxes	3,497	4,685
Finance (costs) income, net - leases	(570)	(660)
Finance (costs) income, net - other	(578)	(1,507)
Profit (loss) from continuing operations before income taxes	2,349	2,518
Income tax (expense) recovery	288	(761)
Profit (loss) for the period from continuing operations	\$ 2,637	\$ 1,757
Profit (loss) for the period from discontinued operations	-	(5,436)
Profit (loss) for the period	\$ 2,637	\$ (3,679)

⁽¹⁾ Management uses the non-GAAP occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 when analyzing operating performance, which may provide useful information to investors in measuring the Company's financial performance.

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

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

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

⁽⁵⁾ Other non-operating and/or non-recurring income (costs) for the three months ended March 31, 2020 relate to (i) transitional costs related to the departure of senior executives, (ii) legal, advisory, and other consulting costs related to a Board strategic initiative, and (iii) transaction and other related costs. These are included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).

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Notes to Interim Condensed Consolidated Financial Statements March 31, 2021 and 2020 (Unaudited)

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

4. Segmented Information, cont'd

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

Segment Revenues and Expenditures

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

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

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

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Notes to Interim Condensed Consolidated Financial Statements March 31, 2021 and 2020 (Unaudited)

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

4. Segmented Information, cont'd

	Three months ended March 31, 2020						
	Altus Analytics	Commercial Real Estate Property Tax	Real Estate Valuation and Cost Advisory	Consulting Total	Corporate ⁽¹⁾	Eliminations	Total
Revenues from external customers	\$ 51,589	\$ 52,596	\$ 27,071	\$ 79,667	\$ -	\$ -	\$ 131,256
Inter-segment revenues	130	-	(56)	(56)	-	(74)	-
Total segment revenues	51,719	52,596	27,015	79,611	-	(74)	131,256
Adjusted EBITDA ⁽²⁾	8,289	9,314	2,428	11,742	(6,783)	-	13,248
Depreciation of right-of-use assets	1,090	872	703	1,575	207	-	2,872
Depreciation of property, plant and equipment and amortization of intangibles	3,288	3,473	590	4,063	366	-	7,717
Finance costs (income), net - leases	223	198	162	360	77	-	660
Finance costs (income), net - other	-	-	-	-	1,507	-	1,507
Income tax expense (recovery)	-	-	-	-	761	-	761

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

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

5. Finance Costs (Income), Net

	Three months ended March 31, 2021	Three months ended March 31, 2020
Interest on bank credit facilities	\$ 600	\$ 1,325
Interest on lease liabilities	570	660
Contingent consideration payables: unwinding of discount	-	45
Provisions: unwinding of discount (Note 9)	3	18
Change in fair value of interest rate swaps	-	154
Finance costs	1,173	2,202
Finance income	(25)	(35)
Finance costs (income), net	\$ 1,148	\$ 2,167

Notes to Interim Condensed Consolidated Financial Statements March 31, 2021 and 2020 (Unaudited)

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

6. Income Taxes

	Three months ended March 31, 2021	Three months ended March 31, 2020
Income tax expense (recovery)		
Current	\$ 615	\$ (616)
Deferred	(903)	1,377
	\$ (288)	\$ 761

7. Trade Receivables and Other

	March 31, 2021	December 31, 2020
Trade receivables	\$ 126,452	\$ 145,427
Less: loss allowance provision	(17,420)	(16,869)
Trade receivables, net	109,032	128,558
Contract assets: unbilled revenue on customer contracts ⁽¹⁾	52,069	48,120
Deferred costs to obtain customer contracts	1,719	2,205
Prepayments	14,555	13,229
Due from related party (GeoVerra)	1,755	1,675
Other receivables	1,442	655
	180,572	194,442
Less: non-current portion	(1,191)	(1,370)
	\$ 179,381	\$ 193,072

⁽¹⁾ On March 31, 2021, contract assets are stated net of expected credit losses of \$705 (2020 - \$670).

For the three months ended March 31, 2021, \$467 of amortization associated with deferred costs to obtain customer contracts was expensed to the interim condensed consolidated statements of comprehensive income (loss) (2020 - \$437). For the three months ended March 31, 2021 and 2020, no impairment losses on deferred costs were recognized.

8. Investments

	March 31, 2021	December 31, 2020
Investments in equity instruments	\$ 7,372	\$ 7,811
Investments in partnerships	2,746	2,545
	\$ 10,118	\$ 10,356

During the three months ended March 31, 2021, the Company contributed \$36 towards capital in various partnerships (2020 - \$145).

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Notes to Interim Condensed Consolidated Financial Statements March 31, 2021 and 2020 (Unaudited)

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

9. Trade Payables and Other

	March 31, 2021	December 31, 2020
Trade payables	\$ 8,444	\$ 7,596
Accrued expenses	74,245	94,354
Contract liabilities: deferred revenue	42,315	43,032
Contingent consideration payables	47	47
Dividends payable (Note 14)	6,181	6,124
Provisions	4,227	6,018
Due to related party (GeoVerra)	314	329
	135,773	157,500
Less non-current portion:		
Accrued expenses	20,546	15,449
Contract liabilities: deferred revenue	773	681
Provisions	554	1,076
	21,873	17,206
	\$ 113,900	\$ 140,294

Provisions consist of:

	Restructuring	Other	Total
Balance as at January 1, 2021	\$ 5,800	\$ 218	\$ 6,018
Charged to profit or loss:			
Additional provisions, net of releases	(49)	-	(49)
Unwinding of discount (Note 5)	-	3	3
Used during the period	(1,705)	-	(1,705)
Exchange differences	(34)	(6)	(40)
Balance as at March 31, 2021	4,012	215	4,227
Less: non-current portion	(339)	(215)	(554)
	\$ 3,673	\$ -	\$ 3,673

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Notes to Interim Condensed Consolidated Financial Statements March 31, 2021 and 2020 (Unaudited)

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

10. Borrowings

	March 31, 2021	December 31, 2020
Bank credit facilities	\$ 128,000	\$ 123,000
Less: deferred financing fees	(504)	(568)
	127,496	122,432
Less non-current portion:		
Bank credit facilities	128,000	123,000
Less: deferred financing fees	(504)	(568)
	127,496	122,432
	\$ -	\$ -

As at March 31, 2021, the Company was in compliance with the financial covenants of the amended bank credit facilities, which are summarized below:

	March 31, 2021
Funded debt to EBITDA (maximum of 4.00:1)	1.11:1
Interest coverage (minimum of 3.00:1)	35.31:1

11. Share Capital

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

	Common Shares	
	Number of Shares	Amount
Balance as at January 1, 2021	40,429,117	\$ 529,866
Issued on exercise of options (Note 12)	256,301	8,334
Issued under the Dividend Reinvestment Plan	14,643	687
Issued for share-based compensation (Note 12)	111,845	2,585
Treasury shares reserved for share-based compensation (Note 12)	(57,545)	(5,607)
Release of treasury shares (Note 12)	108,194	4,434
Balance as at March 31, 2021	40,862,555	\$ 540,299

The 40,862,555 common shares as at March 31, 2021 are net of 344,935 treasury shares with a carrying value of \$20,711 that are being held by the Company until vesting conditions are met (Note 12).

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

12. Share-based Compensation

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

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

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

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

	Number of Options Outstanding	Weighted Average Exercise Price
Balance as at January 1, 2021	1,791,682	\$35.78
Granted	165,757	\$58.50
Exercised	(256,301)	\$27.61
Expired/Forfeited	(15,648)	\$54.54
Balance as at March 31, 2021	1,685,490	\$39.08

Information about the Company's share options outstanding and exercisable as at March 31, 2021 is as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Exercisable
\$19.29 - \$19.67	47,564	0.57 years	47,564
\$25.56 - \$29.72	327,950	2.57 years	166,766
\$30.70 - \$37.93	508,586	2.49 years	247,198
\$45.11 - \$59.15	801,390	4.20 years	110,620
\$39.08	1,685,490	3.26 years	572,148

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12. Share-based Compensation, cont'd

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

	2021
Risk-free interest rate	0.78%
Expected dividend yield	1.0%
Expected volatility	31.57% - 32.92%
Expected option life	3.00 - 4.50 years
Weighted average exercise price	\$58.50
Weighted average grant-date fair value per option	\$12.43 - \$14.25

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

	Number of common shares
Balance as at January 1, 2021	116,309
Settled	(59,095)
Balance as at March 31, 2021	57,214

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

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

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

	Number of PSUs
Granted in 2020	172,350
Granted in 2021	91,207

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

12. Share-based Compensation, cont'd

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

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

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

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

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

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

	Number of RSs
Balance as at January 1, 2021 (all unvested)	-
Granted	14,081
Balance as at March 31, 2021 (all unvested)	14,081

In March 2021, the Company granted a total value of \$1,315 under the LTIRS Plan and purchased 14,081 common shares in the open market (through the facilities of the TSX or by private agreement).

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

12. Share-based Compensation, cont'd

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

	Number of RSUs
Balance as at January 1, 2021 (all unvested)	-
Granted	22,837
Balance as at March 31, 2021 (all unvested)	22,837

(iii) Deferred Compensation Plans

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

	Number of RSs
Balance as at January 1, 2021 (all unvested)	194,654
Granted	43,464
Settled	(47,890)
Forfeited	(929)
Balance as at March 31, 2021 (all unvested)	189,299

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

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

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

	Number of RSUs
Balance as at January 1, 2021 (all unvested)	302,325
Granted	79,557
Settled	(64,291)
Forfeited	(1,460)
Balance as at March 31, 2021 (all unvested)	316,131

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

12. Share-based Compensation, cont'd

(iv) Deferred Share Unit Plans

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

	Number of DSUs
Balance as at January 1, 2021	173,836
Granted	6,151
Balance as at March 31, 2021	179,987

(v) Other Share-Based Awards

The following is a summary of the activity related to common shares held in escrow related to the Company's acquisition of Property Tax Assistance Company Inc. in December 2020:

	Number of common shares
Balances as at January 1, 2021 and March 31, 2021	84,341

(vi) Compensation Expense by Plan

	Three months ended March 31, 2021	Three months ended March 31, 2020
Share Option Plan	\$ -	\$ 13
Equity Compensation Plan	262	308
Long-Term Equity Incentive Plan	1,600	1,227
LTIRS Plan	37	-
LTIRSU Plan ⁽¹⁾	39	-
RS Plan	979	1,064
RSU Plan ⁽²⁾	3,692	1,128
DSU Plans ⁽³⁾	2,284	282
Other share-based awards	570	-

⁽¹⁾ For the three months ended March 31, 2021, the Company recorded mark-to-market adjustments of \$2 (2020 - \$nil).

⁽²⁾ For the three months ended March 31, 2021, the Company recorded mark-to-market adjustments of \$2,844 (2020 - \$157).

⁽³⁾ For the three months ended March 31, 2021, the Company recorded mark-to-market adjustments of \$1,876 (2020 - \$(43)).

For the three months ended March 31, 2020, included in compensation expense above, was an amount related to the Geomatics discontinued operations totalling \$61.

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

12. Share-based Compensation, cont'd

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

	March 31, 2021	December 31, 2020
LTIRSU Plan	\$ 39	\$ -
RSU Plan	12,098	11,412
DSU Plans	9,821	7,537

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

13. Earnings (Loss) per Share

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

For the three months ended March 31, 2020, 621,973 share options and 82,472 restricted shares (including common shares issued in escrow as part of the Equity Compensation Plan and Long-Term Equity Incentive Plan) were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

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(Unaudited)

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

13. Earnings (Loss) per Share, cont'd

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

	Three months ended March 31, 2021	Three months ended March 31, 2020
Profit (loss) for the period from continuing operations - basic and diluted	\$ 2,637	\$ 1,757
Profit (loss) for the period from discontinued operations - basic and diluted	-	(5,436)
Profit (loss) for the period - basic and diluted	\$ 2,637	\$ (3,679)
Weighted average number of common shares outstanding - basic	40,551,803	39,895,944
Dilutive effect of share options	435,908	374,482
Dilutive effect of equity awards and PSUs	411,870	379,842
Dilutive effect of restricted shares	242,717	219,073
Weighted average number of common shares outstanding - diluted	41,642,298	40,869,341
Earnings (loss) per share:		
Basic		
Continuing operations	\$0.07	\$0.04
Discontinued operations	\$0.00	\$(0.14)
Diluted		
Continuing operations	\$0.06	\$0.04
Discontinued operations	\$0.00	\$(0.13)

14. Dividends Payable

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

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

15. Financial Instruments and Fair Values

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

Financial Instruments by Category

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

	March 31, 2021			December 31, 2020		
	Fair Value Through Profit or Loss	Fair Value Through Other Comprehensive Income	Amortized Cost	Fair Value Through Profit or Loss	Fair Value Through Other Comprehensive Income	Amortized Cost
Assets as per Consolidated Balance Sheet:						
Cash and cash equivalents	\$ -	\$ -	\$ 69,072	\$ -	\$ -	\$ 69,637
Trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments)	-	-	164,298	-	-	179,008
Investments in equity instruments	-	7,372	-	-	7,811	-
Investments in partnerships	2,746	-	-	2,545	-	-
Derivative financial instruments	16,634	-	-	11,277	-	-
	\$ 19,380	\$ 7,372	\$ 233,370	\$ 13,822	\$ 7,811	\$ 248,645

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

15. Financial Instruments and Fair Values, cont'd

	March 31, 2021		December 31, 2020	
	Fair Value Through Profit or Loss	Amortized Cost	Fair Value Through Profit or Loss	Amortized Cost
Liabilities as per Consolidated Balance Sheet:				
Trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables and contingent consideration payables)	\$ -	\$ 71,453	\$ -	\$ 95,472
Contingent consideration payables	47	-	47	-
Derivative financial instruments	2,854	-	-	-
Borrowings	-	127,496	-	122,432
	\$ 2,901	\$ 198,949	\$ 47	\$ 217,904

Fair Values

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

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in equity instruments	\$ -	\$ -	\$ 7,372	\$ 7,372
Investments in partnerships	-	-	2,746	2,746
Derivative financial instruments	-	16,634	-	16,634
Liabilities:				
Borrowings	-	128,000	-	128,000
Contingent consideration payables	-	-	47	47
Derivative financial instruments	-	2,854	-	2,854

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15. Financial Instruments and Fair Values, cont'd

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

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

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

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

16. Commitments and Contingencies

As at March 31, 2021, the Company provided letters of credit of approximately \$1,128 to its lessors (December 31, 2020 - \$1,107).

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

As at March 31, 2021, the Company has committed to aggregate capital contributions of \$378 (Note 8) to certain partnerships (December 31, 2020 - \$418).

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16. Commitments and Contingencies, cont'd

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

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

17. Events After the Reporting Period

Acquisition of Finance Active SAS

On April 1, 2021, the Company acquired all of the issued and outstanding shares of Finance Active SAS ("Finance Active") and its subsidiaries for approximately €106,500 (approximately \$157,700), subject to adjustments. On closing, the Company paid a total of €89,200 (approximately \$132,100) in cash, funded by drawing down on the Company's credit facilities. In addition, the Company issued 303,177 common shares to the selling shareholders and certain members of Finance Active's management team valued at €12,500 (approximately \$18,500) from treasury on the acquisition date. These common shares will be held in escrow and will vest and be released over three years on each anniversary of the closing date, subject to continued employment by the management team and compliance with certain terms and conditions. As part of the purchase price, €4,800 of cash (approximately \$7,100) is payable in cash over two years after closing, subject to certain conditions being met. 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 will be integrated with the Company's Altus Analytics business.

The €89,200 cash portion of the purchase price paid on closing was funded by the Company drawing £76,800 from its bank credit facilities on April 1, 2021.

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

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17. Events After the Reporting Period, cont'd

Acquisition of StratoDem Analytics

On May 4, 2021, the Company acquired certain assets of StratoDem Analytics ("StratoDem Analytics") for US\$24,350 (approximately \$29,900) in cash and common shares, subject to adjustments. As part of the transaction, the Company entered into a non-compete agreement with members of management of StratoDem Analytics. As consideration for these assets, the Company paid cash of US\$15,950 (approximately \$19,600). In addition, the Company issued 165,320 common shares to the vendors valued at US\$8,400 (approximately \$10,300) 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 on the second and third anniversary of the closing date, subject partly to continued employment and compliance with certain terms and conditions. StratoDem Analytics is an early-stage company offering data-science-as-a-service for the real estate sector. The cloud-based StratoDem Analytics platform integrates vast amounts of granular local demographic and economic datasets to generate predictive models and analytical tools that enable clients to better understand the factors influencing the market and build more accurate models and forecasts. Through this acquisition, the StratoDem Analytics platform is a core component to the Company's long-term data strategy, bringing valuable data science talent and technology, and accelerating the Company's speed to market for future data analytics products. Based in the U.S., StratoDem Analytics' team will join the Altus Analytics business unit.

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

LISTINGS

Toronto Stock Exchange
Stock trading symbol: AIF

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