Altus Group Reports Q3 2023 Financial Results and Quarterly Dividend

Steady Year-over-Year Recurring Revenue Growth & Margin Expansion at Analytics; Free Cash Flow Generation Begins To Inflect

TORONTO (November 9, 2023) – Altus Group Limited ("Altus" or "the Company") (TSX: AIF), a leading provider of asset and fund intelligence for commercial real estate ("CRE"), announced today its financial and operating results for the third quarter ended September 30th, 2023 and the approval by its Board of Directors of the payment of a cash dividend of $0.15 per common share for the fourth quarter ending December 31, 2023.

Q3 2023 Summary:

Unless otherwise indicated, all amounts are in Canadian dollars and percentages are on an as reported basis in comparison to Q3 2022.

- Consolidated revenues were $185.2 million, up 4.2% (0.8% on a Constant Currency* basis)
- Profit was $0.9 million, compared to $6.8 million
- Earnings per share ("EPS") were $0.02 basic and diluted, compared to $0.15 basic and diluted
- Consolidated Adjusted EBITDA* was $29.7 million, down 9.9% (13.8% on a Constant Currency basis)
- Net cash provided by operating activities was $36.0 million, up 49%, and Free Cash Flow* was $34.1 million, up 96.5%
- Adjusted EPS* was $0.33, compared to $0.42
- Analytics revenues were $95.3 million, up 8.8% (4.6% on a Constant Currency basis), of which Recurring Revenue* was $87.4 million, up 13.7% (9.2% on a Constant Currency basis), and Adjusted EBITDA was $23.3 million, up 11.6% (5.7% on a Constant Currency basis) driving an Adjusted EBITDA margin* of 24.5%, up 60 basis points
- Analytics New Bookings* were $22.2 million, down 17.3% (21.1% on a Constant Currency basis), of which Recurring New Bookings* were $13.9 million, down 20.7% (24.3% on a Constant Currency basis)
- At the end of Q3 2023, 72% of the Company's total ARGUS Enterprise ("AE") user base had been contracted on ARGUS Cloud (Cloud Adoption Rate*), compared to 55% at the end of Q3 2022
- Property Tax revenues were $60.8 million, up 0.1% (down 4.1% on a Constant Currency basis), and Adjusted EBITDA was $12.7 million, down 28.7% (31.9% on a Constant Currency basis)
- Appraisals and Development Advisory revenues were $29.3 million, down 0.8% (0.6% on a Constant Currency basis) and Adjusted EBITDA was $3.0 million, down 27.6% (27.4% on a Constant Currency basis)
- As at September 30 2023, Funded debt to EBITDA ratio as defined in the Company's credit facility agreement was 2.08 times, and Net debt to Adjusted EBITDA leverage ratio* was 1.98 times
- The Company purchased 51,700 common shares in Q3 2023 for a total cash consideration of $2.5 million under the Normal Course Issuer Bid
- Subsequent to quarter end, the Company entered into definitive agreements to acquire the business of Forbury Property Valuations Solutions Limited ("Forbury") and the commercial real estate valuation services business ("REVS") of Situs Group, LLC (a SitusAMC company)

**Altus Group uses certain non-GAAP financial measures such as Adjusted Earnings (Loss), and Constant Currency; non-GAAP ratios such as Adjusted EPS; total of segments measures such as Adjusted EBITDA; capital management measures such as Free Cash Flow; and supplementary financial and other measures such as Adjusted EBITDA margin, Net debt to Adjusted EBITDA leverage ratio, New Bookings, Recurring New Bookings, Non-Recurring New Bookings, Organic Revenue, Recurring Revenue, Non-Recurring Revenue, AE Software Maintenance Retention Rate, and Cloud Adoption Rate. Refer to the "Non-GAAP and Other Measures" section for more information on each measure and a reconciliation of Adjusted EBITDA and Adjusted Earnings (Loss) to Profit (Loss) and Free Cash Flow to Net cash provided by (used in) operating activities.*

Jim Hannon, Chief Executive Officer of Altus, said:

"The Altus team continues to improve the fundamentals of the business as we proceed through a protracted pullback in commercial real estate capital deployment. We have re-balanced investments across business units and P&L line items. We continue to invest in improving our operations to increase productivity and drive operating leverage. Our cashflow from operations significantly improved in the third quarter with the deployment and adoption of our new ERP systems. We have returned capital to investors through the repurchase of our shares as we believe our own stock represents a compelling investment opportunity. And this week's acquisition announcements demonstrate our focus on expanding core capabilities in core markets."

Summary of Operating and Financial Performance by Reportable Segment:

"CC" indicates "Constant Currency".

Consolidated

	Three months ended September 30,				Nine months ended September 30,			
In thousands of dollars	**2023**	2022	% Change	CC % Change	**2023**	2022	% Change	CC % Change
Revenues	$ 185,232	$ 177,691	4.2%	0.8%	$ 581,269	$ 551,689	5.4%	2.0%
Profit (loss)	$ 929	$ 6,827	(86.4%)		$ 10,372	$ 7,870	31.8%	
Adjusted EBITDA	$ 29,650	$ 32,910	(9.9%)	(13.8%)	$ 100,873	$ 100,394	0.5%	(4.5%)
Adjusted EBITDA margin	16.0%	18.5%			17.4%	18.2%		
Net Cash provided by (used in) operating activities	$ 36,019	$ 24,167	49.0%		$ 26,736	$ 49,620	(46.1%)	
Free Cash Flow	$ 34,101	$ 17,353	96.5%		$ 18,797	$ 33,425	(43.8%)	

Analytics

	Three months ended September 30,				Nine months ended September 30,			
In thousands of dollars	**2023**	2022	% Change	CC % Change	**2023**	2022	% Change	CC % Change
Revenues	$ 95,338	$ 87,599	8.8%	4.6%	$ 289,723	$ 250,042	15.9%	10.7%
Adjusted EBITDA	$ 23,340	$ 20,917	11.6%	5.7%	$ 67,325	$ 45,906	46.7%	36.4%
Adjusted EBITDA margin	24.5%	23.9%			23.2%	18.4%		
Other Measures								
Recurring Revenue	$ 87,444	$ 76,915	13.7%	9.2%	$ 261,553	$ 215,875	21.2%	15.7%
New Bookings	$ 22,221	$ 26,865	(17.3%)	(21.1%)	$ 68,239	$ 78,367	(12.9%)	(17.2%)
Recurring New Bookings	$ 13,850	$ 17,459	(20.7%)	(24.3%)	$ 46,270	$ 53,585	(13.7%)	(17.7%)
Non-Recurring New Bookings*	$ 8,371	$ 9,406	(11.0%)	(15.2%)	$ 21,969	$ 24,782	(11.4%)	(15.9%)
AE Software Maintenance Retention Rate*	98%	97%			97%	96%		
Geographical revenue split								

Analytics				
North America	77%	76%	77%	77%
International	23%	24%	23%	23%
Cloud Adoption Rate (as at end of period)	-	-	72%	55%

Property Tax

	Three months ended September 30,				Nine months ended September 30,			
In thousands of dollars	**2023**	2022	% Change	CC % Change	**2023**	2022	% Change	CC % Change
Revenues	$ 60,782	$ 60,742	0.1%	(4.1%)	$ 202,587	$ 212,753	(4.8%)	(7.4%)
Adjusted EBITDA	$ 12,669	$ 17,763	(28.7%)	(31.9%)	$ 55,967	$ 73,121	(23.5%)	(25.5%)
Adjusted EBITDA margin	20.8%	29.2%			27.6%	34.4%		

Appraisals and Development Advisory

	Three months ended September 30,				Nine months ended September 30,			
In thousands of dollars	**2023**	2022	% Change	CC % Change	**2023**	2022	% Change	CC % Change
Revenues	$ 29,287	$ 29,526	(0.8%)	(0.6%)	$ 89,531	$ 89,420	0.1%	0.2%
Adjusted EBITDA	$ 2,969	$ 4,099	(27.6%)	(27.4%)	$ 9,286	$ 11,521	(19.4%)	(19.0%)
Adjusted EBITDA margin	10.1%	13.9%			10.4%	12.9%		

Q3 2023 Review

On a consolidated basis, revenues were $185.2 million, up 4.2% (0.8% on a Constant Currency* basis) and Adjusted EBITDA was $29.7 million, down 9.9% (13.8% on a Constant Currency basis). Adjusted EPS was $0.33, compared to $0.42 in the third quarter of 2022.

Profit was $0.9 million and $0.02 per share, basic and diluted, compared to $6.8 million and $0.15 per share, basic and diluted, in the same period in 2022. Profit was impacted by higher other operating costs and finance costs due to higher interest rates on the Company's bank credit facilities, as well as changes in the fair value of interest rate swaps, partially offset by lower costs due to the completion of the 2022 global restructuring program.

Analytics revenues increased to $95.3 million, up 8.8% (4.6% on a Constant Currency basis). The year-over-year growth consisted solely of Organic Revenue*. Adjusted EBITDA was $23.3 million, up 11.6% (5.7% on a Constant Currency basis) driving an Adjusted EBITDA margin of 24.5%, up 60 basis points.

- Revenue growth continues to be driven by strong Recurring Revenue performance. Growth continues to benefit from the ongoing transition to cloud subscriptions, new sales, and Valuation Management Solutions asset expansion. Non-Recurring Revenue* declined modestly.

- Recurring Revenue was $87.4 million, up 13.7% (9.2% on a Constant Currency basis). The Company's Recurring Revenue model has proven to be resilient even though CRE transaction volumes are down. Sequentially, Recurring Revenue decreased modestly by 1.5% from $88.8 million in the second quarter of 2023, primarily driven by seasonality at Valuation Management Solutions.

- New Bookings totalled $22.2 million, down 17.3% (21.1% on a Constant Currency basis). Recurring New Bookings totalled $13.9 million, down 20.7% (24.3% on a Constant Currency basis), and Non-Recurring New Bookings were $8.4 million, down 11.0% (15.2% on a Constant Currency basis).

- Adjusted EBITDA growth and margin expansion benefitted from higher revenues, operating efficiencies, ongoing cost optimization efforts, and foreign exchange fluctuations.

Property Tax revenues were $60.8 million, up 0.1% (down 4.1% on a Constant Currency basis) and Adjusted EBITDA was $12.7 million, down 28.7% (31.9% on a Constant Currency basis). The U.S. and U.K. practices posted year-over-year revenue growth, offset by a decline in Canada where the Ontario cycle extension is impacting growth. Adjusted EBITDA was impacted by flat revenues alongside increasing expenditures related to compensation and investments in technology infrastructure.

Appraisals and Development Advisory revenues were $29.3 million, down 0.8% (0.6% on a Constant Currency basis) and Adjusted EBITDA was $3.0 million, down 27.6% (27.4% on a Constant Currency basis). The Appraisals practice was consistent with the prior year, offset by a nominal decrease in the Development Advisory practice.

Corporate Costs were $9.3 million, down from $9.9 million in the same period in 2022.

Free Cash Flow was $34.1 million, up 96.5%, and net cash provided by operating activities was $36.0 million, up 49.0%.

As at September 30, 2023, bank debt was $314.1 million and cash and cash equivalents was $44.7 million (representing a Funded debt to EBITDA ratio as defined in the Company's credit facility agreement of 2.08 times, or a Net debt to Adjusted EBITDA leverage ratio of 1.98 times).

In connection with the proposed acquisition of REVS, the Company has obtained a commitment from lenders to increase the Company's borrowing capacity under its bank credit facilities, as required. The increase to the Company's borrowing capacity will be effected by way of an amendment and restatement to the existing credit agreement relating to the Company's existing credit facilities, and is subject to completion of the acquisition of REVS, satisfaction of typical conditions precedent, and definitive documentation.

Q4 2023 Dividend

Altus Group's Board of Directors approved the payment of a cash dividend of $0.15 per common share for the fourth quarter ending December 31, 2023, with payment to be made on January 15, 2024 to common shareholders of record as at December 31, 2023.

Altus Group's Dividend Reinvestment Plan ("DRIP") permits eligible shareholders to direct their cash dividends to be reinvested in additional common shares of the Company. For shareholders who wish to reinvest their dividends under the DRIP, Altus Group intends to issue common shares from treasury at a price equal to 96% of the weighted average closing price of the shares for the five trading days preceding the dividend payment date. Full details of the DRIP program are available on the Company website.

Altus Group confirms that all dividends paid or deemed to be paid to its common shareholders qualify as "eligible dividends" for purposes of subsection 89(14) of the Income Tax Act (Canada) and similar provincial and territorial legislation, unless indicated otherwise.

Q3 2023 Results Conference Call & Webcast

Date:	Thursday, November 9, 2023
Time:	5:00 p.m. (ET)
Webcast:	https://www.altusgroup.com/investor-relations/
Live Call:	1-888-660-6785 (toll-free) (Conference ID: 8366990)
Replay:	https://www.altusgroup.com/investor-relations/

About Altus Group

Altus Group is a leading provider of asset and fund intelligence for commercial real estate. We deliver intelligence as a service to our global client base through a connected platform of industry-leading technology, advanced analytics, and advisory services. Trusted by the largest CRE leaders, our capabilities help commercial real estate investors, developers, proprietors, lenders, and advisors manage risks and improve performance returns throughout the asset and fund lifecycle. Altus Group is a global company headquartered in Toronto with approximately 3,000 employees across North America, EMEA and Asia Pacific. For more information about Altus (TSX: AIF) please visit altusgroup.com.

Non-GAAP and Other Measures

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

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

Constant Currency: Altus Group uses Constant Currency to allow current financial and operational performance to be understood against comparative periods without the impact of fluctuations in foreign currency exchange rates against the Canadian dollar. How it's calculated: The financial results and non-GAAP measures presented at Constant Currency within this document are obtained by translating monthly results denominated in local currency

(U.S. dollars, British pound, Euro, Australian dollars, and other foreign currencies) to Canadian dollars at the foreign exchange rates of the comparable month in the previous year.

Adjusted EPS: Altus Group uses Adjusted EPS to assess the performance of the business, on a per share basis, before the effects of the noted items because they affect the comparability of the Company's financial results and could potentially distort the analysis of trends in business performance. How it's calculated: Adjusted Earnings (Loss) divided by basic weighted average number of shares, adjusted for the effects of the weighted average number of restricted shares.

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"): Altus Group uses Adjusted EBITDA to evaluate the performance of the business, as well as when making decisions about the ongoing operations of the business and the Company's ability to generate cash flows. This measure represents Adjusted EBITDA determined on a consolidated entity-basis as a total of the various segments. All other Adjusted EBITDA references are disclosed in the financial statements and are not considered to be non-GAAP financial measures pursuant to NI 52-112. How it's calculated: Profit (loss) added or (deducted) by: profit (loss) from discontinued operations; occupancy costs calculated on a similar basis prior to the adoption of IFRS 16; depreciation of right-of-use assets; depreciation of property, plant and equipment and amortization of intangibles; acquisition and related transition costs (income); unrealized foreign exchange (gains) losses; (gains) losses on disposal of right-of-use assets, property, plant and equipment and intangibles; share of (profit) loss of joint venture; non-cash share-based compensation costs; (gains) losses on equity derivatives net of mark-to market adjustments on related restricted share units ("RSUs") and deferred share units ("DSUs"); (gains) losses on derivatives, restructuring costs (recovery); impairment charges; (gains) losses on investments; other costs or income of a non-operating and/or non-recurring nature; finance costs (income), net - leases; finance costs (income), net - other; and income tax expense (recovery).

Free Cash Flow: Altus Group uses Free Cash Flow to understand how much of the cash generated from operating activities is available to repay borrowings and to reinvest in the Company. How it's calculated: Net cash provided by (used in) operating activities deducted by capital expenditures.

Adjusted EBITDA Margin: Altus Group uses Adjusted EBITDA margin to evaluate the performance of the business, as well as when making decisions about the ongoing operations of the business and its ability to generate cash flows. How it's calculated: Adjusted EBITDA divided by revenue.

Net debt to Adjusted EBITDA leverage ratio: Altus Group uses Net debt to Adjusted EBITDA leverage ratio as a measure of its ability to service debt and other long-term obligations. How it's calculated: Net debt (total borrowings less cash and cash equivalents, net of short-term deposits) divided by Adjusted EBITDA.

New Bookings, Recurring New Bookings and Non-Recurring New Bookings: For its Analytics reportable segment, Altus Group uses New Bookings, Recurring New Bookings and Non-Recurring New Bookings as measures to track the performance and success of sales initiatives, and as an indicator of future revenue growth. New Bookings is inclusive of any new signed contracts as well as any additional solutions and services added by existing customers within the Analytics reportable segment. The contract value of renewals is excluded from this metric with the exception of additional capacity or products purchased at the time of renewal. How it's calculated: *New Bookings:* The total of annual contract values for new sales of the Company's recurring solutions and services (software subscriptions, Valuation Management Solutions and data subscriptions) plus the total of contract values for one-time engagements (consulting, training, and due diligence). *Recurring New Bookings*: The total of annual contract values for new sales of the recurring solutions and services. *Non-Recurring New Bookings*: The total of contract values for one-time engagements.

Organic Revenue: Altus Group uses Organic Revenue to evaluate and assess revenue trends in the business on a comparable basis versus the prior year, and as an indicator of future revenue growth. How it's calculated: Revenue deducted by revenues from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition).

Recurring Revenue, Non-Recurring Revenue: For its Analytics reportable segment, Altus Group uses Recurring Revenue and Non-Recurring Revenue as measures to assess revenue trends in the business, and as indicators of future revenue growth. How it's calculated: *Recurring Revenue:* Revenue from software subscriptions recognized on an over time basis in accordance with IFRS 15, software maintenance revenue associated with the Company's legacy licenses sold on perpetual terms, Valuation Management Solutions, and data subscriptions. *Non-Recurring Revenue:* Revenue deduced by Recurring Revenue.

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

Cloud Adoption Rate: For its Analytics reportable segment, Altus Group uses the Cloud Adoption Rate as a measure of its progress in transitioning the AE user base to its cloud-based platform, a key component of its overall product strategy. How it's calculated: Percentage of the total AE user base contracted on the ARGUS Cloud platform.

Forward-looking Information

Certain information in this press release may constitute "forward-looking information" within the meaning of applicable securities legislation. All information contained in this press release, other than statements of current and historical fact, is forward-looking information. Forward-looking information includes, but is not limited to, statements relating to expected financial and other benefits of acquisitions and the closing of acquisitions (including the expected timing of closing), as well as the discussion of our business, strategies and leverage (including the commitment to increase borrowing capacity), expectations of future performance, including any guidance on financial expectations, and our expectations with respect to cash flows and liquidity. Generally, forward-looking information can be identified by use of words such as "may", "will", "expect", "believe", "plan", "would", "could", "remain" and other similar terminology.

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

Inherent in the forward-looking information are known and unknown risks, uncertainties and other factors that could cause the Company's actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking information. Those risks include, but are not limited to: the general state of the economy; the Company's financial performance; the Company's financial targets; the commercial real estate market; the Company's international operations; acquisitions; industry competition; business interruption events; third party information; cybersecurity; professional talent; the Company's cloud subscriptions transition; software renewals; the Company's sales pipeline; enterprise transactions; client 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; the Company's 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; the Company's contractual obligations; legal proceedings; regulatory review; the Company's insurance limits; the Company's ability to meet the solvency requirements necessary to make dividend payments; the Company's leverage and financial covenants; the Company's share price; the Company's capital investments; the issuance of additional common shares and debt, the Company's internal and disclosure controls; environmental, social and governance ("ESG") matters; and catastrophic or geo-political conditions such, as well as those described in the Company's annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2022 (which are available on SEDAR at www.sedar.com).

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 The Company has 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 press release and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances. Additionally, the Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, the Company's financial or operating results, or the Company's securities.

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

FOR FURTHER INFORMATION PLEASE CONTACT:

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Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
For the Three and Nine Months Ended September 30, 2023 and 2022
(Unaudited)

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

	Three months ended September 30		Nine months ended September 30	
	2023	**2022**	**2023**	**2022**
Revenues	**$ 185,232**	$ 177,691	**$ 581,269**	$ 551,689
Expenses				
Employee compensation	**118,456**	114,486	**363,888**	349,934
Occupancy	**1,747**	1,945	**5,755**	5,465
Other operating	**41,148**	34,208	**132,950**	115,352
Depreciation of right-of-use assets	**2,649**	2,873	**8,431**	9,137
Depreciation of property, plant and equipment	**1,411**	1,607	**4,494**	5,015
Amortization of intangibles	**9,031**	10,403	**30,294**	31,252
Acquisition and related transition costs (income)	**51**	439	**75**	4,721
Share of (profit) loss of joint venture	**(1,196)**	(1,082)	**(2,336)**	(2,227)
Restructuring costs (recovery)	**21**	8,045	**77**	21,895
(Gain) loss on investments	**(32)**	259	**(358)**	117
Finance costs (income), net - leases	**279**	490	**957**	1,450
Finance costs (income), net - other	**7,550**	(5,108)	**15,054**	(2,634)
Profit (loss) before income taxes	**4,117**	9,126	**21,988**	12,212
Income tax expense (recovery)	**3,188**	2,299	**11,616**	4,342
Profit (loss) for the period	**$ 929**	$ 6,827	**$ 10,372**	$ 7,870
Profit (loss) for the period attributable to:				
Non-controlling interest	**$ -**	$ -	**$ -**	$ (3)
Shareholders of the Company	**$ 929**	$ 6,827	**$ 10,372**	$ 7,873
Other comprehensive income (loss):				
Items that may be reclassified to profit or loss in subsequent periods:				
Currency translation differences	**3,985**	13,862	**(528)**	2,382
Items that are not reclassified to profit or loss in subsequent periods:				
Changes in investments measured at fair value through other comprehensive income, net of tax	**-**	2,138	**577**	(232)
Other comprehensive income (loss), net of tax	**3,985**	16,000	**49**	2,150
Total comprehensive income (loss) for the period, net of tax	**$ 4,914**	$ 22,827	**$ 10,421**	$ 10,020
Comprehensive income (loss) for the period, net of tax, attributable to:				
Non-controlling interest	**$ -**	$ -	**$ -**	$ (3)
Shareholders of the Company	**$ 4,914**	$ 22,827	**$ 10,421**	$ 10,023
Earnings (loss) per share attributable to the shareholders of the Company during the period				
Basic earnings (loss) per share	**$0.02**	$0.15	**$0.23**	$0.18
Diluted earnings (loss) per share	**$0.02**	$0.15	**$0.23**	$0.17

Interim Condensed Consolidated Balance Sheets
As at September 30, 2023 and December 31, 2022
(Unaudited)

(Expressed in Thousands of Canadian Dollars)

	September 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	**$ 44,674**	$ 55,267
Trade receivables and other	**269,283**	255,518
Income taxes recoverable	**6,154**	7,399
Derivative financial instruments	**935**	1,694
Total current assets	**321,046**	319,878
Non-current assets		
Trade receivables and other	**11,168**	6,969
Derivative financial instruments	**14,706**	18,519
Investments	**17,443**	19,313
Investment in joint venture	**21,845**	19,509
Deferred tax assets	**31,089**	28,855
Right-of-use assets	**26,561**	38,873
Property, plant and equipment	**20,174**	21,582
Intangibles	**266,622**	292,806
Goodwill	**497,578**	497,582
Total non-current assets	**907,186**	944,008
Total assets	**$ 1,228,232**	$ 1,263,886
Liabilities		
Current liabilities		
Trade payables and other	**$ 205,752**	$ 222,941
Income taxes payable	**6,341**	2,063
Lease liabilities	**14,346**	14,856
Total current liabilities	**226,439**	239,860
Non-current liabilities		
Trade payables and other	**22,753**	27,265
Lease liabilities	**36,749**	45,459
Borrowings	**312,844**	317,828
Deferred tax liabilities	**30,243**	33,604
Total non-current liabilities	**402,589**	424,156
Total liabilities	**629,028**	664,016
Shareholders' equity		
Share capital	**769,103**	747,668
Contributed surplus	**36,735**	48,608
Accumulated other comprehensive income (loss)	**45,682**	47,165
Retained earnings (deficit)	**(252,316)**	(243,571)
Total shareholders' equity	**599,204**	599,870
Total liabilities and shareholders' equity	**$ 1,228,232**	$ 1,263,886

Interim Condensed Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2023 and 2022
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Nine months ended September 30	
	2023	**2022**
Cash flows from operating activities		
Profit (loss) before income taxes	**$ 21,988**	$ 12,212
Adjustments for:		
Depreciation of right-of-use assets	**8,431**	9,137
Depreciation of property, plant and equipment	**4,494**	5,015
Amortization of intangibles	**30,294**	31,252
Finance costs (income), net - leases	**957**	1,450
Finance costs (income), net - other	**15,054**	(2,634)
Share-based compensation	**18,383**	21,113
Unrealized foreign exchange (gain) loss	**718**	(2,033)
(Gain) loss on investments	**(358)**	117
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles	**456**	-
(Gain) loss on equity derivatives	**5,365**	13,580
Share of (profit) loss of joint venture	**(2,336)**	(2,227)
Impairment of right-of-use assets, net of (gain) loss on sub-leases	**(569)**	7,526
Net changes in:		
Operating working capital	**(44,849)**	(11,468)
Liabilities for cash-settled share-based compensation	**106**	(10,538)
Deferred consideration payables	**(1,669)**	(3,644)
Contingent consideration payables	**(2,989)**	3,009
Net cash generated by (used in) operations	**53,476**	71,867
Less: interest paid on borrowings	**(15,264)**	(7,279)
Less: interest paid on leases	**(957)**	(1,450)
Less: income taxes paid	**(10,620)**	(14,647)
Add: income taxes refunded	**101**	1,129
Net cash provided by (used in) operating activities	**26,736**	49,620
Cash flows from financing activities		
Proceeds from exercise of options	**10,013**	3,921
Financing fees paid	**(7)**	(1,896)
Proceeds from borrowings	**51,154**	74,500
Repayment of borrowings	**(57,540)**	(39,935)
Payments of principal on lease liabilities-	**(11,016)**	(10,505)
Proceeds from right-of-use asset lease inducements	**525**	-
Dividends paid	**(19,873)**	(18,415)
Treasury shares purchased for share-based compensation	**(4,320)**	(4,617)
Cancellation of shares	**(2,719)**	(8,058)
Net cash provided by (used in) financing activities	**(33,783)**	(5,005)
Cash flows from investing activities		
Purchase of investments	**(462)**	(675)
Purchase of intangibles	**(4,301)**	(12,545)
Purchase of property, plant and equipment	**(3,638)**	(3,650)
Proceeds from investments	**28**	22
Proceeds from disposal of investments	**3,471**	-
Acquisitions, net of cash acquired	**-**	(29,853)
Net cash provided by (used in) investing activities	**(4,902)**	(46,701)
Effect of foreign currency translation	**1,356**	(2,545)
Net increase (decrease) in cash and cash equivalents	**(10,593)**	(4,631)
Cash and cash equivalents, beginning of period	**55,267**	51,271
Cash and cash equivalents, end of period	**$ 44,674**	$ 46,640

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

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

	Three months ended September 30,		Nine months ended September 30,	
In thousands of dollars, except for per share amounts	2023	2022	2023	2022
Profit (loss) for the period	$ 929	$ 6,827	$ 10,372	$ 7,870
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 (1)	(3,062)	(2,868)	(9,043)	(9,088)
Depreciation of right-of-use assets	2,649	2,873	8,431	9,137
Depreciation of property, plant and equipment and amortization of intangibles (7)	10,442	12,010	34,788	36,267
Acquisition and related transition costs (income)	51	439	75	4,721
Unrealized foreign exchange (gain) loss (2)	(108)	(1,740)	718	(2,033)
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles (2)	444	13	456	-
Share of (profit) loss of joint venture	(1,196)	(1,082)	(2,336)	(2,227)
Non-cash share-based compensation costs (3)	4,600	7,217	15,337	17,421
(Gain) loss on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs (3)	(19)	150	3,652	4,371
Restructuring costs (recovery)	21	8,045	77	21,895
(Gain) loss on investments (4)	(32)	259	(358)	117
Other non-operating and/or non-recurring (income) costs (5)	3,914	3,086	11,077	8,785
Finance costs (income), net - leases	279	490	957	1,450
Finance costs (income), net - other (8)	7,550	(5,108)	15,054	(2,634)
Income tax expense (recovery) (9)	3,188	2,299	11,616	4,342
Adjusted EBITDA	$ 29,650	$ 32,910	$ 100,873	$ 100,394
Depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses (7)	(3,115)	(2,328)	(9,904)	(6,579)
Finance (costs) income, net - other (8)	(7,550)	5,108	(15,054)	2,634
(Gain) loss on hedging transactions, including currency forward contracts and interest expense (income) on swaps	2,259	(8,748)	(705)	(10,252)
Interest accretion on contingent consideration payables	-	-	-	6
Tax effect of adjusted earnings (loss) adjustments (9)	(6,303)	(7,908)	(20,914)	(20,572)
Adjusted earnings (loss)*	$ 14,941	$ 19,034	$ 54,296	$ 65,631
Weighted average number of shares - basic	45,408,482	44,608,742	45,262,101	44,430,353
Weighted average number of restricted shares	460,702	629,728	502,836	645,763
Weighted average number of shares - adjusted	45,869,184	45,238,470	45,764,937	45,076,116
Adjusted earnings (loss) per share (6)	$0.33	$0.42	$1.19	$1.46

(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 other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).
(3) Included in employee compensation expenses in the interim condensed consolidated statements of comprehensive income (loss).
(4) Gain (loss) on investments relates to changes in the fair value of investments in partnerships.
(5) Other non-operating and/or non-recurring income (costs) for the three and nine months ended September 30, 2023 relate to legal, advisory, consulting, and other professional fees related to organizational and strategic initiatives. These are included in other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).
(6) Refer to page 4 of the MD&A for the definition of Adjusted EPS.
(7) For the purposes of reconciling to Adjusted Earnings (Loss), the amortization of intangibles of acquired businesses is adjusted from Profit (loss) for the period. Per the quantitative reconciliation above, we have added back depreciation of property, plant and equipment and amortization of intangibles and then deducted the depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses to arrive at the amortization of intangibles of acquired businesses.
(8) For the purposes of reconciling to Adjusted Earnings (Loss), the interest accretion on contingent consideration payables and (gains) losses on hedging transactions and interest expense (income) on swaps is adjusted from Profit (loss) for the period. Per the quantitative reconciliation above, we have added back finance costs (income), net – other and then deducted finance costs (income), net – other prior to adjusting for interest accretion on contingent consideration payables and (gains) losses on hedging transactions and interest expense (income) on swaps.

(9) For the purposes of reconciling to Adjusted Earnings (Loss), only the tax impacts for the reconciling items noted in the definition of Adjusted Earnings (Loss) is adjusted from Profit (loss) for the period. Please refer to page 3 of the MD&A for the definition of Adjusted Earnings (Loss).

Reconciliation of Free Cash Flow

The Company proactively manages and optimizes Free Cash Flow available for reinvestment in the business. Free Cash Flow is reconciled as follows:

Free Cash Flow	**Three months ended September 30,**		**Nine months ended September 30,**	
In thousands of dollars	**2023**	2022	**2023**	2022
Net cash provided by (used in) operating activities	$ 36,019	$ 24,167	$ 26,736	$ 49,620
Less: Capital Expenditures	1,918	6,814	7,939	16,195
Free Cash Flow	$ 34,101	$ 17,353	$ 18,797	$ 33,425

Constant Currency

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

	Three months ended September 30, 2023		**Nine months ended September 30, 2023**	
	As presented	For Constant Currency	As presented	For Constant Currency
Canadian Dollar	1.000	1.000	1.000	1.000
United States Dollar	1.342	1.305	1.345	1.283
Pound Sterling	1.698	1.535	1.673	1.613
Euro	1.459	1.314	1.457	1.365
Australian Dollar	0.878	0.892	0.900	0.907

	Three months ended September 30, 2022		**Nine months ended September 30, 2022**	
	As presented	For Constant Currency	As presented	For Constant Currency
Canadian Dollar	1.000	1.000	1.000	1.000
United States Dollar	1.305	1.259	1.283	1.251
Pound Sterling	1.535	1.735	1.613	1.733
Euro	1.314	1.484	1.365	1.497
Australian Dollar	0.892	0.925	0.907	0.950