



Altus Group

Q4 and FY 2024

Management's Discussion and Analysis

For the twelve months ended December 31, 2024



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The following Management's Discussion and Analysis (the "MD&A") is intended to assist readers in understanding Altus Group Limited's consolidated business, its business environment, strategies, performance, outlook and applicable risks. All references to "Altus Group", the "Company", "we", "us", "our" or similar terms refer to Altus Group Limited, and, as appropriate, its subsidiaries and consolidated operations, and this MD&A 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, 2024, which have been prepared on the basis of International Financial Reporting Standards ("IFRS") and reported in Canadian dollars. Unless otherwise indicated, references to "\$" or "CAD" are to Canadian dollars, "USD" are to U.S. dollars, "GBP" are to British pounds sterling and "EUR" are to euros, and percentages are in comparison to the same period in 2023. The consolidated results that are presented (including restated comparative figures) exclude our Property Tax business which has been classified as discontinued operations.

This document also includes certain non-GAAP and other measures as denoted by a "**". This includes 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, New Bookings, Organic New Bookings, Recurring New Bookings, Non-Recurring New Bookings, Organic Revenue, Recurring Revenue, Non-Recurring Revenue, Organic Recurring Revenue, DSO, and Cloud Adoption Rate. Since the measures, used herein, are not standard measures under IFRS, they may not be comparable to similar measures reported by other entities. Refer to the "Non-GAAP and Other Measures" section for definitions of, and more information on, each measure. For non-GAAP financial measures and total of segments measures, refer to the "Reconciliation of Non-GAAP Measures" section for reconciliations to the most directly comparable IFRS measure. For capital management measures, refer to the "Free Cash Flow" section for a reconciliation to the most directly comparable IFRS measure.

This MD&A is dated as of February 20, 2025.

1. 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, 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", "anticipate", "estimate", "intend", "plan", "would", "could", "should", "continue", "goal", "objective", "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 we identified and applied in drawing conclusions or making forecasts or projections set out in the forward-looking information (including sections entitled "Business Outlook") 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 our customers; retention of material

clients and bookings; sustaining our software and subscription renewals; 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; 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 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 include, but are not limited to: the CRE market conditions; the general state of the economy; our financial performance; our financial targets; our international operations; acquisitions, joint ventures and strategic investments; business interruption events; third party information and data; cybersecurity; industry competition; professional talent; our subscription renewals; our sales pipeline; client concentration and loss of material clients; product enhancements and new product introductions; technological strategy; our use of technology; intellectual property; compliance with laws and regulations; privacy and data protection; artificial intelligence; our leverage and financial covenants; interest rates; inflation; our brand and reputation; our cloud transition; fixed price engagements; currency fluctuations; credit; tax matters; our contractual obligations; legal proceedings; regulatory review; health and safety hazards; our insurance limits; our ability to meet the solvency requirements necessary to make dividend payments; our share price; share repurchase programs; our capital investments; the issuance of additional common shares and debt; our internal and disclosure controls; and environmental, social and governance (“ESG”) matters and climate change, as well as those described in our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2024 (which are available on SEDAR+ at www.sedarplus.ca).

Investors should not place undue reliance on forward-looking information as a prediction of actual results. The forward-looking information reflects management’s current expectations and beliefs regarding future events and operating performance and is based on information currently available to management. Although we have attempted to identify important factors that could cause actual results to differ materially from the forward-looking information contained herein, there are other factors that could cause results not to be as anticipated, estimated or intended. The forward-looking information contained herein is current as of the date of this MD&A and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, our financial or operating results, or our securities.

Certain information in this MD&A, including sections entitled “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.

2. Non-GAAP and Other Measures

We use 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”). We believe that these measures may assist investors in assessing an investment in our shares as they provide additional insight into our performance. Readers are cautioned that the measures 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.

2.1. Non-GAAP Financial Measures

Adjusted Earnings (Loss)

How is it useful:

We use Adjusted Earnings (Loss) to facilitate the calculation of Adjusted Earnings (Loss) per Share (“Adjusted EPS”).

How we calculate it:

Profit (loss) added or (deducted) by: profit (loss) from discontinued operations, net of tax; 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.

Refer to page 30 for a reconciliation of Adjusted Earnings (Loss) to our financial statements.

Most directly comparable IFRS financial measure:

Profit (loss)

Constant Currency

How is it useful:	We use 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 we calculate it:	<p>The financial results and non-GAAP and other 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.</p> <p>Refer to page 31 for a reconciliation of Constant Currency between foreign exchange rates used.</p>
Most directly comparable IFRS financial measure:	Corresponding IFRS amount, as presented

2.2. Non-GAAP Ratios

Adjusted EPS

How is it useful:	We use Adjusted EPS to assess the performance of our business, on a per share basis, 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.
How we calculate it:	Adjusted Earnings (Loss) divided by basic weighted average number of shares, adjusted for the effects of the weighted average number of restricted shares.

2.3. Total of Segments Measures

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”)

How is it useful: We use Adjusted EBITDA 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.

How we calculate it: Profit (loss) added or (deducted) by: profit (loss) from discontinued operations, net of tax; 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 market 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).

Refer to page 30 for a reconciliation of Adjusted EBITDA to our financial statements. This measure represents Adjusted EBITDA determined on a consolidated basis as a total of our reportable segments. All other Adjusted EBITDA references are disclosed in our financial statements and are not considered to be non-GAAP financial measures pursuant to NI 52-112.

Most directly comparable IFRS financial measure: Profit (loss)

2.4. Capital Management Measures

Free Cash Flow

How is it useful: We use 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 we calculate it: Free Cash Flow: Net cash provided by (used in) operating activities deducted by capital expenditures.

Refer to page 29 for a reconciliation of Free Cash Flow to our financial statements.

Most directly comparable IFRS financial measure: Net cash provided by (used in) operating activities

2.5. Supplementary Financial and Other Measures

Adjusted EBITDA Margin

How is it useful: We use 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.

How we calculate it: Adjusted EBITDA divided by revenue

New Bookings, Organic New Bookings, Recurring New Bookings and Non-Recurring New Bookings

How is it useful: For our Analytics reportable segment, we use New Bookings, Organic New Bookings, Recurring New Bookings and Non-Recurring New Bookings as measures to track the performance and success of our sales initiatives, and as an indicator of future revenue growth.

New Bookings: The total of annual contract values for new sales of our recurring solutions and services (software subscriptions, Valuation Management Solutions (“VMS”), and data subscriptions) plus the total of contract values for one-time engagements (consulting, training, and due diligence). The value of contract renewals is excluded from this metric with the exception of additional capacity or products purchased at the time of renewal. The total annual contract values for VMS are based on an estimated number of assets at the end of the first year of the contract term. New Bookings is inclusive of any new signed contracts as well as any additional solutions and services added by existing customers within our Analytics reportable segment.

How we calculate it:

Organic New Bookings: The total of New Bookings deducted by New Bookings from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition).

Recurring New Bookings: The total of annual contract values for new sales of our recurring solutions and services.

Non-Recurring New Bookings: The total of contract values for one-time engagements.

Organic Revenue

How is it useful: We use Organic Revenue to evaluate and assess revenue trends in our business on a comparable basis versus the prior year, and as an indicator of future revenue growth.

How we calculate it: 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, Organic Recurring Revenue

How is it useful: For our Analytics reportable segment, we use Recurring Revenue, Non-Recurring Revenue, and Organic Recurring Revenue as measures to assess revenue trends in our business, and as an indicator of future revenue growth.

Recurring Revenue: Revenue from software subscriptions recognized on an over time basis in accordance with IFRS 15, software maintenance revenue associated with our legacy licenses sold on perpetual terms, VMS, and data subscriptions.

How we calculate it: Non-Recurring Revenue: Total Revenue deducted by Recurring Revenue.

Organic Recurring Revenue: Recurring Revenue deducted by Recurring Revenue from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition).

Days Sales Outstanding (“DSO”)

How is it useful: We use DSO as a measure of our ability to convert our revenue into cash.

How we calculate it: Five-quarter average balance of our continuing operations' net trade receivables and unbilled revenue on customer contracts net of deferred revenue, divided by the associated trailing 12-month revenues plus any pre acquisition revenues (as applicable), and multiplied by 365 days.

Cloud Adoption Rate

How is it useful: For our Analytics reportable segment, we use Cloud Adoption Rate as a measure of our progress in transitioning the ARGUS Enterprise (“AE”) user base to our cloud-based platform, a key component of our overall product strategy.

How we calculate it: Percentage of the total AE user base contracted on the ARGUS Cloud platform.

3. Business Overview

3.1. About Altus Group

Altus Group is a leading provider of asset and fund intelligence for commercial real estate (“CRE”). 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, lenders, and advisors manage risk and improve performance throughout the asset and fund lifecycle.

Altus Group is a global company headquartered in Toronto with approximately 1,900 employees¹ across North America, EMEA and Asia Pacific.

3.2. Understanding our Business

Data is at the core of everything we do

The value of a commercial property is one of the most important factors for CRE investment, ownership and development. It drives decision making across the CRE value chain and influences decisions related to managing, optimizing, buying and selling properties.

Our expertise in valuations supports various use cases across our business segments, including fund mark-to-market reporting, equity and debt portfolio appraisals, software and data solutions, transactions and development investments. Our businesses generate highly differentiated, high-quality data. As we connect this data, we are building out new advanced analytics capabilities that also expand our use cases to performance management. By leveraging our asset and fund intelligence at scale, we can correlate valuations with asset performance attributes to help our clients maximize performance and better manage risk.

CRE professionals rely on Altus Group's valuation capabilities, data and expertise, to maximize returns and manage risks. Widely recognized in certain countries as the benchmark for property cash flow and valuation modelling, our newly released ARGUS Intelligence software (which includes ARGUS Enterprise) is a comprehensive CRE portfolio management platform that helps our clients streamline and optimize various aspects of investment analysis, valuation and management. Utilizing over 30 years of industry presence, ARGUS' valuation methodology is recognized in the industry and is taught in over 200 academic institutions worldwide. Additionally, our active engagement as thought leaders in CRE valuations is exemplified through our long-standing relationship with the National Council of Real Estate Investment Fiduciaries (“NCREIF”) and other industry associations where our expertise is relied on by the industry.

Serving a global and diverse client base

Our customers include many market participants across the CRE industry and vary in size and focus. Key customer segments include CRE investors, developers, lenders, service providers and their advisors. We have the privilege of having long-standing relationships with many of the world's largest CRE leaders, with our ARGUS software being

¹ The employee headcount shown above excludes approximately 1,000 employees from our Property Tax discontinued operations. Refer to Note 11 of the financial statements.

a known and trusted brand in the CRE industry. The majority of our revenues come from medium to large firms. No single client accounts for more than 10% of our global revenues.

Enhancing client value with CRE intelligence

With the mounting challenges of increased competition, globalization, regulatory pressures and ever-changing market dynamics and macroeconomic factors, CRE professionals are looking for objective expert advice and actionable insights to make faster, data-informed decisions. Our end-to-end technology, analytics and advisory services help our clients manage and react to key asset, fund and market events, helping them to improve performance and manage risk.

One of our key competitive differentiators is our unique combination of deep CRE industry expertise and proprietary technology tailored for the CRE industry. Altus Group professionals are not only experts in their practice areas but also in the CRE industry, earning us the reputation as trusted advisors to many of our clients. Our technology and data analytics solutions are trusted by the industry and widely adopted in CRE workflows, with our ARGUS software regarded as a vital application for the valuation of commercial assets. This combination of industry and technology expertise enables us to help our clients navigate complex business challenges and gives us a significant advantage compared to single-focus traditional consulting or technology firms.

Our reportable segments

We report the results of our operations through the following reportable segments: (1) Analytics and (2) Appraisals and Development Advisory. Our reportable segments are also supported by a corporate centre that primarily includes our finance, information technology, human resources, marketing, legal, corporate development and communications functions. Prior to July 2024, we conducted our business through two business units: Analytics and CRE Consulting, in which CRE Consulting included Appraisals and Development Advisory and Property Tax. While Property Tax was previously a third reportable segment, we entered into an agreement for the sale of our Property Tax business on July 8, 2024. Following this, the Property Tax business was classified as discontinued operations. The sale of the Property Tax business closed on January 1, 2025.

Analytics	
Principal activities	<ul style="list-style-type: none"> • Our Analytics portfolio includes software, data analytics, market data, VMS and technology consulting services.
Key revenue streams	<ul style="list-style-type: none"> • Our key revenue streams comprise the following solutions: <ul style="list-style-type: none"> ○ Our software suite includes ARGUS-branded solutions (including the flagship ARGUS Enterprise product and the newly released ARGUS Intelligence product) and Finance Active-branded debt management solutions. Our software solutions are deployed globally and primarily used to value, manage and increase the transparency of CRE portfolios. ○ Our market data and related data analytics capabilities cover key North American markets and are used to support acquisition, investment and development decisions. ○ Our VMS offering, primarily offered in the U.S., includes valuation management and advisory services for CRE portfolios and funds with workflow and analytics tools for managing the valuation process and performing portfolio attribution analysis and benchmarking. ○ Our technology consulting services include strategic advisory for front-to-back-office strategies, processes and technology. It also captures traditional software services related to education, training and implementation. • Our ARGUS Intelligence software (which includes ARGUS Enterprise) and VMS comprise our flagship offerings and represent the Company's key revenue and Adjusted EBITDA contributors and drivers.

Analytics

	<ul style="list-style-type: none"> Approximately 93% of fiscal year 2024 Analytics revenues were Recurring Revenue. Our Recurring Revenue includes software subscription revenues recognized on an over time basis, market data and data analytics subscription offerings, multi-year VMS contracts, as well as legacy software maintenance fees (which we continue to upgrade to cloud subscriptions). Our Non-Recurring Revenue includes services related to technology consulting as well as software education, training and implementation. Although diminishing in size, for customers who have on-premise software and wish to add more on-premise seats, the software license component of the subscription contract is captured as point-in-time revenue when delivered as required by IFRS, and captured in this revenue.
Revenue model	<ul style="list-style-type: none"> Our Recurring Revenue streams are sold primarily on subscription contracts. Recurring Revenue provides us with a stable and predictable revenue base that we expect the high majority to repeat every year. Our Analytics subscription agreements generally vary in length between one to three years with the fee primarily dependent on the number of users and applications deployed. An increasing number of our client contracts, particularly for VMS and ARGUS Intelligence, are priced based on the number of real estate assets on our platform. An asset-based pricing model allows us to grow with our customers, while also enhancing our opportunity to expand the users on our platform and broaden our reach across workflows. Our Non-Recurring Revenue service engagements are charged on a time and materials basis, billed and recognized as delivered.
Key geographies and foreign operations	<ul style="list-style-type: none"> Our Analytics solutions are sold globally, targeting our Tier 1 geographies including the U.S., Canada, the U.K., France, Germany and Australia. We operate in 16 countries across North America, EMEA and Asia Pacific, with growing use of our Global Service Centre (“GSC”) which has a growing operation in India. <i>(A geographic revenue split is provided in section 6.2. Operations by Reportable Segment).</i>
Key customer segments	<ul style="list-style-type: none"> Key customers include equity and debt investors, service providers, owner operators and developers. Large, global firms account for the majority of our revenues. Our customer base is globally dispersed and diversified by type.
Primary revenue growth drivers	<ul style="list-style-type: none"> We can provide meaningful opportunities to deliver additional value to our existing customer base through complementary products and services designed to enhance the value of our solutions. New customers also represent an attractive opportunity. As we expand our capabilities, we have increased opportunities to capture new customer segments and user types/personas in the industry that we have not historically served. Key levers of growth include driving adoption of new capabilities, expanding the number of users and assets on our platform, as well as taking pricing action as contracts renew and/or upgrade on capabilities.

Appraisals and Development Advisory

Principal activities	<ul style="list-style-type: none"> Our Appraisals and Development Advisory portfolio includes expert services in the areas of commercial property valuation appraisals and commercial development advisory.
Key revenue streams	<ul style="list-style-type: none"> The Appraisals practice performs valuation appraisals of real estate portfolios. Additional related services include valuation appraisals of properties for transactional purposes, due diligence, and litigation support. The Development Advisory practice provides services in the areas of construction feasibility studies, budgeting, cost and loan monitoring and construction project management.

Appraisals and Development Advisory

Revenue model	<ul style="list-style-type: none">Pricing is based on a fixed fee or time and materials basis. Many of our contracts are multi-year.
Key geographies and foreign operations	<ul style="list-style-type: none">Our Appraisals services are primarily offered in Canada and our Development Advisory services are primarily offered in Canada and Australia.
Key customer segments	<ul style="list-style-type: none">Appraisals customers include institutional CRE clients.Development Advisory clients include CRE developers, lenders and government agencies for infrastructure related projects.
Primary revenue growth drivers	<ul style="list-style-type: none">Revenue growth is supported by increasing market demand and our ability to enhance our competitive position within the market.

4. Business Strategy

Market opportunity

Commercial real estate is one of the largest asset classes in the world, yet despite its scale and influence, the CRE industry is still in the early stage of employing artificial intelligence against large proprietary and aggregated datasets. Historically, it has relied on single-specialty services and technology, leading to fragmented data and workflows, and lagging industries like financial services who actively leverage data and analytics in their decision-making processes.

This is now rapidly changing. Institutional ownership, globalization, and demographic shifts are driving the need for more sophisticated processes and data-driven transparency. CRE is catching up technologically with increasing demand for platform integration and data collaboration. As competition, reporting demands, and market dynamics intensify, the industry seeks partners to help it innovate, unlock insights, discover new opportunities and better manage risks and costs.

Value creation strategy

Our mission is to continually enhance the most impactful datasets to drive asset and portfolio performance improvements while reducing risk. This mission is the cornerstone of our long-term value creation strategy.

With property valuations at the core of our operations, we have a unique vantage point on drivers of property value and cash flows. We also have a significant and growing valuation dataset that is now organized and connected on our platform with a unique Altus ID.

To meet our clients' evolving needs and strategically position the business for its next phase of growth, we are tapping into this valuation intelligence with advanced analytics to bring new performance insights to our clients. Our technology roadmap includes enhancing our data and analytics capabilities to enable predictive and prescriptive foresight. Such foresight will empower our clients to gain a deeper understanding of the factors influencing asset performance, anticipate opportunities, and proactively adapt their strategies to optimize the performance of their assets and funds. Moving into performance management is expected to expand our market reach beyond valuation to undertake broader asset and fund challenges that Altus is uniquely positioned to address at scale.

Profitable growth serves as a fundamental gauge of our success, as measured by the expansion of our Adjusted EBITDA margin, growth in Adjusted EPS, and the maximization of Free Cash Flow.

Strategic Priorities

We are steadfast in our pursuit of becoming the leading CRE intelligence provider. Guided by this vision, we are focused on the following key priorities to drive the growth and long-term success of Altus Group:

1. Deliver Innovative and Differentiated Customer Value	Deliver and leverage advanced analytics across our business to help our clients improve performance and manage risk.
2. Grow Profitably	Maximize operating leverage through efficient processes and investments to drive market growth.
3. Empower Talent	Place the best people in the right roles and enable colleagues to achieve greater performance in an inclusive environment.

5. Financial and Operating Highlights

5.1. Financial Highlights

Selected Financial Information	Quarter ended December 31,		Year ended December 31,	
	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
<i>In thousands of dollars, except for per share amounts</i>				
Revenues	\$ 135,501	\$ 131,050	\$ 519,727	\$ 509,732
Canada	20%	22%	20%	23%
U.S.	57%	56%	57%	55%
EMEA	16%	16%	16%	16%
Asia Pacific	7%	6%	7%	6%
Adjusted EBITDA*	\$ 32,420	\$ 20,858	\$ 82,895	\$ 65,763
Adjusted EBITDA margin*	23.9%	15.9%	15.9%	12.9%
Profit (loss) for the period from continuing operations, net of tax	\$ 22,872	\$ (8,319)	\$ (793)	\$ (33,493)
Profit (loss) for the period from discontinued operations, net of tax	\$ (12,234)	\$ 8,179	\$ 14,216	\$ 43,725
Profit (loss)	\$ 10,638	\$ (140)	\$ 13,423	\$ 10,232
Earnings (loss) per share:				
Basic				
Continuing operations	\$0.50	\$(0.18)	\$(0.02)	\$(0.74)
Discontinued operations	\$(0.27)	\$0.18	\$0.31	\$0.97
Diluted				
Continuing operations	\$0.48	\$(0.18)	\$(0.02)	\$(0.74)
Discontinued operations	\$(0.26)	\$0.18	\$0.30	\$0.95
Adjusted*	\$0.85	\$0.26	\$1.17	\$0.48
Dividends declared per share	\$0.15	\$0.15	\$0.60	\$0.60
Net cash provided by (used in) operating activities	\$ 24,708	\$ 44,693	\$ 79,920	\$ 71,429
Free Cash Flow*	\$ 24,599	\$ 40,141	\$ 72,465	\$ 58,938

⁽¹⁾ Comparative figures have been restated to reflect discontinued operations. Refer to Note 11 of the financial statements.

	As at December 31,	
	2024	2023
Funded debt to EBITDA ratio	2.01:1	2.06:1

5.2. Operating Highlights

Renewed NCIB

On January 26, 2024, the TSX approved the renewal of our Normal Course Issuer Bid (“NCIB”). Pursuant to the NCIB, we may purchase for cancellation up to 1,376,034 of our outstanding common shares during the period from February 8, 2024 to February 7, 2025, representing approximately 3% of our issued and outstanding common shares as at January 24, 2024. The total number of common shares that we are permitted to purchase is subject to a daily purchase limit of 20,969 common shares, representing 25% of the average daily trading volume as of the 26-week period ended December 31, 2023, other than block purchase exemptions.

In relation to the NCIB, we entered into an automatic share purchase plan (“ASPP”) with a designated broker. The volume of purchases is determined by the broker in its sole discretion based on maximum purchase price and volume parameters established by the Company under the ASPP. All purchases made under the ASPP will be included in computing the number of common shares purchased under the NCIB.

In 2024, we repurchased 203,400 common shares under the NCIB for total cash consideration of \$11.0 million, at a weighted average price per share of \$54.29.

Terminated Proposed Acquisition of REVS

On May 17, 2024, we delivered a termination notice with respect to the previously announced planned acquisition of Situs Group LLC’s (“Situs”) commercial real estate valuation and advisory services business (“REVS”). We believed that the transaction was unlikely to receive regulatory approval in a timely manner. In connection with the termination of this transaction, we paid a USD3.0 million (approximately \$4.1 million) termination fee to Situs Group, LLC.

Amended Bank Credit Facilities

On June 17, 2024, we amended our bank credit facilities to, among other things, facilitate changes to the members of the syndicate of lenders providing our credit facilities, as well as adopt the Canadian Overnight Repo Rate Average (“CORRA”) as the new base reference rate for Canadian dollar loans, given the discontinuation of the Canadian Dollar Offered Rate (“CDOR”). Our borrowing capacity remains at \$550.0 million with certain provisions that allow us to further increase the limit to \$650.0 million, and maintain the existing maximum Funded debt to EBITDA financial covenant ratio of 4.5 with provisions that allow for a short-term increase up to 5.0 following certain business acquisitions. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at our option.

Signed Definitive Agreement to Divest Property Tax Business

On July 8, 2024, we entered into a definitive agreement to sell our global Property Tax business to Ryan, LLC (“Ryan”), for total cash consideration of \$700.0 million. The transaction was subject to customary closing conditions, including receipt of regulatory approvals.

Launched ARGUS Intelligence

In September 2024, we launched ARGUS Intelligence, Altus Group’s new flagship product built to drive CRE portfolio performance. ARGUS Intelligence combines our AE cash flow modelling capabilities with new functionality for asset, portfolio and benchmark management for performance optimization.

Sale of Certain Assets Related to the Fairways Guarantees Business

In an effort to further simplify our Analytics portfolio, on September 24, 2024, we entered into a definitive agreement to sell certain non-core assets from our Finance Active Fairways Guarantees business. We closed the transaction on December 1, 2024 and received cash consideration of EUR7.4 million (approximately \$11.0 million).

5.3. Operating Highlights – Events After the Reporting Period

Sale of Global Property Tax Business

On January 1, 2025, we completed the sale of our global Property Tax business to Ryan, for total cash consideration of \$700.0 million, subject to customary post-closing adjustments. In addition to the sale agreement, Ryan entered a \$15.0 million Altus Market Insights subscription agreement at closing, with an initial three-year term of \$5.0 million per year. The divestiture enables Altus Group to accelerate its transformation to a pure-play CRE software, data and analytics platform. We plan to use the net proceeds (approximately \$600.0 million) to invest organically and via acquisitions in Analytics, return capital to shareholders, including through an expanded share buyback program, and pay down debt to target levels.

Amendment to Bank Credit Facilities

On January 1, 2025, we amended our bank credit facilities to, among other things, replace certain subsidiaries identified as guarantors under the credit agreement following the completion of the sale of the global Property Tax business. Our borrowing capacity remains at \$550.0 million with certain provisions that allow us to further increase the limit to \$650.0 million, and maintain the existing maximum Funded debt to EBITDA financial covenant ratio of 4.5 with provisions that allow for a short-term increase up to 5.0 following certain business acquisitions. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at our option.

Share Repurchase

In January 2025, under the ASPP, we purchased 115,300 common shares for total cash consideration of \$6.3 million at a weighted average price per share of \$54.49.

6. Discussion of Operations

Quarter and Year Ended December 31, 2024

<i>In thousands of dollars</i>	Quarter ended December 31,		Year ended December 31,	
	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
Revenues	\$ 135,501	\$ 131,050	\$ 519,727	\$ 509,732
Expenses				
Employee compensation	82,739	84,248	336,327	340,525
Occupancy	1,718	2,204	5,398	5,359
Other operating	19,681	30,499	100,464	124,075
Depreciation of right-of-use assets	1,595	2,078	8,271	8,047
Depreciation and amortization	8,752	9,560	35,745	37,382
Acquisition and related transition costs (income)	20	3,759	8,914	3,950
Share of (profit) loss of joint venture	(937)	(810)	(2,950)	(3,146)
Restructuring costs (recovery)	2,939	311	12,052	313
(Gain) loss on investments	194	659	(446)	301
Impairment charge	7,000	-	7,000	-
Finance costs (income), net – leases	301	131	938	771
Finance costs (income), net – other	3,781	8,816	18,457	23,836
Profit (loss) before income taxes from continuing operations	7,718	(10,405)	(10,443)	(31,681)
Income tax expense (recovery)	(15,154)	(2,086)	(9,650)	1,812
Profit (loss) from continuing operations, net of tax	\$ 22,872	\$ (8,319)	\$ (793)	\$ (33,493)
Profit (loss) from discontinued operations, net of tax	(12,234)	8,179	14,216	43,725
Profit (loss) for the period	\$ 10,638	\$ (140)	\$ 13,423	\$ 10,232

⁽¹⁾ Comparative figures have been restated to reflect discontinued operations. Refer to Note 11 of the financial statements.

Revenues

Revenues were \$135.5 million for the quarter ended December 31, 2024, up 3.4% (1.0% on a Constant Currency* basis) or \$4.4 million (\$1.4 million on a Constant Currency basis) from \$131.1 million in the same period in 2023.

For the year ended December 31, 2024, revenues were \$519.7 million, up 2.0% (0.6% on a Constant Currency* basis) or \$10.0 million (\$3.3 million on a Constant Currency basis) from \$509.7 million in 2023. The revenue growth was driven by Recurring Revenue growth at the Analytics segment.

Employee Compensation

Employee compensation represents amounts pertaining to employee salaries, bonuses, benefits, share-based compensation, and gains or losses on equity derivatives related to our RSUs and DSUs. Employee compensation was \$82.7 million for the quarter ended December 31, 2024, down 1.8% or \$1.5 million from \$84.2 million in the same period in 2023. This decrease was primarily due to savings from restructuring activities, net of annual merit and benefit cost increases, (\$1.4 million), and lower commissions (\$0.2 million).

For the year ended December 31, 2024, employee compensation was \$336.3 million, down 1.2% or \$4.2 million from \$340.5 million in 2023, which was primarily driven by savings from restructuring activities, net of annual merit and benefit cost increases, (\$4.3 million), decreases in and timing of commissions (\$2.5 million), and lower share-based compensation costs, net of gains on our equity derivatives, (\$3.9 million), offset by higher employee costs relating to our December 2023 acquisition of Forbury Property Valuation Solutions Limited (“Forbury”) (\$4.7 million). The remaining movements were driven by individually immaterial fluctuations in other compensation and benefits. For the quarter and year ended December 31, 2024, employee compensation as a percentage of revenues was 61.1% and 64.7%, as compared to 64.3% and 66.8% in the corresponding periods in 2023, respectively.

Occupancy

Occupancy represents amounts pertaining to short-term leases, low-value assets, and variable lease payments including property taxes, utilities, and common area maintenance costs. Occupancy was \$1.7 million for the quarter ended December 31, 2024, down 22.1% or \$0.5 million from \$2.2 million in the same period in 2023. The decrease was driven by reduced property taxes and utilities, as well as lower common area maintenance costs from new leased office spaces. For the quarter and year ended December 31, 2024, occupancy as a percentage of revenues was 1.3% and 1.0%, as compared to 1.7% and 1.1% in the corresponding periods in 2023, respectively.

For the year ended December 31, 2024, occupancy was \$5.4 million, flat from 2023.

Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 would have been \$3.3 million and \$14.6 million for the quarter and year ended December 31, 2024, as compared to \$3.5 million and \$13.8 million in the corresponding periods in 2023, respectively. Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 as a percentage of revenues would have been 2.5% and 2.8% for the quarter and year ended December 31, 2024, as compared to 2.7% and 2.7% in the corresponding periods in 2023, respectively.

Other Operating Costs

Other operating costs represent amounts related to hosting fees, software and data subscriptions, professional fees, travel and entertainment, insurance, office supplies, foreign exchange gains or losses, bad debt expenses, and other service costs. From time to time, it also includes income or costs not classified elsewhere in the statement of comprehensive income (loss). Other operating costs were \$19.7 million for the quarter ended December 31, 2024, down 35.5% or \$10.8 million from \$30.5 million in the same period in 2023, which was driven by a gain on the disposal of certain assets and liabilities related to the Finance Active Fairways Guarantees business (\$4.2 million), favourable foreign exchange fluctuations (\$4.9 million), and reductions in our third party spend in support of revenue (\$1.7 million). The remaining movements were driven by individually immaterial fluctuations in other operating costs.

For the year ended December 31, 2024, other operating costs were \$100.5 million, down 19.0% or \$23.6 million from \$124.1 million in 2023, which was primarily driven by lower costs relating to system integration (\$9.6 million), reductions in our third party spend in support of revenue (\$6.3 million), favourable foreign exchange (\$5.7 million), and the gain on disposal noted above (\$4.2 million). For the quarter and year ended December 31, 2024, other operating costs as a percentage of revenues were 14.5% and 19.3%, as compared to 23.3% and 24.3% in the corresponding periods in 2023, respectively.

Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets represents the depreciation charge of our office and equipment leases that are capitalized as right-of-use assets and was \$1.6 million and \$8.3 million for the quarter and year ended December 31, 2024, as compared to \$2.1 million and \$8.0 million in the corresponding periods in 2023, respectively. The change was primarily due to the relocation and transition of certain leased office spaces.

Depreciation and Amortization

Depreciation and amortization represent the depreciation charge of our property, plant and equipment and amortization charge of our intangible assets, and were \$8.8 million and \$35.7 million for the quarter and year ended December 31, 2024, as compared to \$9.6 million and \$37.4 million in the corresponding periods in 2023, respectively. Depreciation and amortization decreased mainly due to certain leasehold improvements and acquired intangible assets from previous acquisitions becoming fully depreciated or amortized during the year.

Acquisition and Related Transition Costs (Income)

Acquisition and related transition costs (income) represent amounts related to professional fees for due diligence and facilitating the purchase and integration of our acquisitions, and the subsequent changes in the fair value of our acquisition-related contingent consideration payables. Acquisition and related transition costs (income) were \$nil and \$8.9 million for the quarter and year ended December 31, 2024, as compared to \$3.8 million and \$4.0 million in the corresponding periods in 2023, respectively. Acquisition and related transition costs (income) primarily related to the expected acquisition of Situs Group LLC's REVS business which was terminated in Q2 2024.

Share of (Profit) Loss of Joint Venture

Share of (profit) loss of joint venture represents our share of the profits or losses in GeoVerra Inc. and was \$(0.9) million and \$(3.0) million for the quarter and year ended December 31, 2024, as compared to \$(0.8) million and \$(3.1) million in the corresponding periods in 2023, respectively.

Restructuring Costs (Recovery)

Restructuring costs (recovery) represent amounts related to employee termination benefits, lease and other contract terminations, and professional fees to facilitate the reorganization of our functions and structure and the closure of offices. In early 2024, we initiated a global restructuring program to further optimize our operating model. Restructuring costs (recovery) were \$2.9 million and \$12.1 million for the quarter and year ended December 31, 2024, as compared to \$0.3 million and \$0.3 million in the corresponding periods in 2023, respectively. The costs incurred primarily related to employee severance impacting both the Analytics and Appraisals and Development Advisory business segments, as well as corporate functions.

(Gain) Loss on Investments

(Gain) loss on investments represents the changes in the fair value of our investments in partnerships and was \$0.2 million and \$(0.4) million for the quarter and year ended December 31, 2024, as compared to \$0.7 million and \$0.3 million in the corresponding periods in 2023, respectively.

Impairment Charge

Impairment charges represent the reduction in the value of our assets and was \$7.0 million for the quarter and year ended December 31, 2024, as compared to \$nil in 2023. During 2024, the Appraisals business, within our Appraisals and Development Advisory reportable segment, experienced reduced volumes in relation to valuation appraisal services of real estate portfolios due to muted market activity.

Finance Costs (Income), Net

Finance costs (income), net represents amounts related to interest incurred on our credit facility borrowings, lease liabilities, or long-term payables. It also includes income received from short-term investments and deposits, and gains or losses from changes in fair value of interest rate swaps. Finance costs (income), net for the quarter ended December 31, 2024 were \$4.1 million, down 54.4% or \$4.8 million from \$8.9 million in the same period in 2023. Our finance costs for the quarter ended December 31, 2024 decreased primarily from a \$4.3 million swing related to the change in the fair value of our interest rate swaps (resulting in a \$0.5 million gain in the quarter versus a \$3.8 million loss in the same period in 2023) in addition to lower interest on our bank credit facilities (\$0.9 million).

For the year ended December 31, 2024, finance costs (income), net were \$19.4 million, down 21.2% or \$5.2 million from \$24.6 million in 2023. Our finance costs for the year ended December 31, 2024 decreased primarily from a \$2.9 million swing related to the change in the fair value of our interest rate swaps (resulting in a \$0.2 million loss versus a \$3.1 million loss in 2023) in addition to lower interest on our bank credit facilities (\$2.4 million).

Income Tax Expense (Recovery)

Income tax expense (recovery) for the quarter and year ended December 31, 2024 was \$(15.2) million and \$(9.7) million, as compared to \$(2.1) million and \$1.8 million in the corresponding periods in 2023, respectively. The significant increase in tax recovery for the quarter and year ended December 31, 2024 was primarily due to recognition of deferred tax assets of approximately \$10.8 million on losses and deductible temporary differences that were previously unrecognized, as well as the recognition of deferred tax assets of approximately \$3.1 million on the outside basis difference on the investment in a foreign subsidiary now classified as held for sale. In addition, 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 quarter and year ended December 31, 2024.

Profit (Loss) from Continuing Operations

Profit (loss) from continuing operations for the quarter ended December 31, 2024 was \$22.9 million and \$0.50 per share, basic and \$0.48 per share, diluted, as compared to \$(8.3) million and \$(0.18) per share, basic and diluted, in the same period in 2023.

For the year ended December 31, 2024, profit (loss) from continuing operations was \$(0.8) million and \$(0.02) per share, basic and diluted, as compared to \$(33.5) million and \$(0.74) per share, basic and diluted, in 2023.

Profit (Loss) from Discontinued Operations

Profit (loss) from discontinued operations for the quarter ended December 31, 2024 was \$(12.2) million and \$(0.27) per share, basic and \$(0.26) per share, diluted, as compared to \$8.2 million and \$0.18 per share, basic and diluted, in the same period in 2023.

For the year ended December 31, 2024, profit (loss) from discontinued operations was \$14.2 million and \$0.31 per share, basic and \$0.30 per share, diluted, as compared to \$43.7 million and \$0.97 per share, basic and \$0.95 per share, diluted, in 2023.

Profit (Loss)

Profit (loss) for the quarter ended December 31, 2024 was \$10.6 million and \$0.23 per share, basic and \$0.22 per share, diluted, as compared to \$(0.1) million and \$(0.00) per share, basic and diluted, in the same period in 2023.

For the year ended December 31, 2024, profit (loss) was \$13.4 million and \$0.29 per share, basic and \$0.28 per share, diluted, as compared to \$10.2 million and \$0.23 per share, basic and \$0.22 per share, diluted, in 2023. Our profit (loss) for the quarter and year ended December 31, 2024 benefitted from higher revenues and a recovery from income taxes, offset by the restructuring program and the impairment charge recognized in the current year relating to our Appraisals business.

6.1. Revenues and Adjusted EBITDA by Reportable Segment

Revenues	Quarter ended December 31,				Year ended December 31,			
	<i>In thousands of dollars</i>	2024	2023 ⁽¹⁾	% Change	Constant Currency % Change	2024	2023 ⁽¹⁾	% Change
Analytics	\$ 107,721	\$ 103,190	4.4%	1.6%	\$ 411,282	\$ 392,913	4.7%	3.0%
Appraisals and Development Advisory	27,964	28,046	(0.3%)	(1.0%)	109,208	117,577	(7.1%)	(7.3%)
Intercompany eliminations	(184)	(186)	1.1%	1.5%	(763)	(758)	(0.7%)	(0.6%)
Total	\$ 135,501	\$ 131,050	3.4%	1.0%	\$ 519,727	\$ 509,732	2.0%	0.6%

⁽¹⁾ Comparative figures have been restated to reflect discontinued operations. Refer to Note 11 of the financial statements.

Adjusted EBITDA	Quarter ended December 31,				Year ended December 31,			
	<i>In thousands of dollars</i>	2024	2023 ⁽¹⁾	% Change	Constant Currency % Change	2024	2023 ⁽¹⁾	% Change
Analytics	\$ 36,409	\$ 28,145	29.4%	25.2%	\$ 117,162	\$ 95,469	22.7%	20.0%
Appraisals and Development Advisory	4,401	2,254	95.3%	93.4%	9,909	11,540	(14.1%)	(15.0%)
Corporate	(8,390)	(9,541)	12.1%	17.0%	(44,176)	(41,246)	(7.1%)	(4.3%)
Total	\$ 32,420	\$ 20,858	55.4%	51.8%	\$ 82,895	\$ 65,763	26.1%	23.7%

⁽¹⁾ Comparative figures have been restated to reflect discontinued operations. Refer to Note 11 of the financial statements.

6.2. Operations by Reportable Segment

Analytics								
Quarter ended December 31,					Year ended December 31,			
<i>In thousands of dollars</i>	2024	2023	% Change	Constant Currency % Change	2024	2023	% Change	Constant Currency % Change
Revenues	\$ 107,721	\$ 103,190	4.4%	1.6%	\$ 411,282	\$ 392,913	4.7%	3.0%
Adjusted EBITDA	\$ 36,409	\$ 28,145	29.4%	25.2%	\$ 117,162	\$ 95,469	22.7%	20.0%
Adjusted EBITDA margin	33.8%	27.3%	650 bps	630 bps	28.5%	24.3%	420 bps	400 bps
Other Measures								
Recurring Revenue*	\$ 101,060	\$ 93,010	8.7%	5.8%	\$ 383,366	\$ 354,563	8.1%	6.4%
New Bookings*	\$ 25,845	\$ 26,254	(1.6%)	(5.3%)	\$ 86,306	\$ 94,493	(8.7%)	(10.2%)
Recurring New Bookings*	\$ 21,074	\$ 18,236	15.6%	10.9%	\$ 67,780	\$ 64,507	5.1%	3.3%
Non-Recurring New Bookings*	\$ 4,771	\$ 8,017	(40.5%)	(42.2%)	\$ 18,526	\$ 29,986	(38.2%)	(39.2%)
Geographical revenue split								
North America	77%	77%			76%	77%		
International	23%	23%			24%	23%		
Cloud Adoption Rate* (as at end of period)	-	-			82%	74%		

Revenues

For the quarter ended December 31, 2024, revenues were \$107.7 million, up 4.4% (1.6% on a Constant Currency basis) or \$4.5 million (\$1.6 million on a Constant Currency basis) from \$103.2 million in the same period in 2023. Organic Revenue growth was 3.2% (0.4% on a Constant Currency basis) for the quarter ended December 31, 2024.

For the year ended December 31, 2024, revenues were \$411.3 million, up 4.7% (3.0% on a Constant Currency basis) or \$18.4 million (\$11.9 million on a Constant Currency basis) from \$392.9 million in 2023. Organic Revenue growth was 3.4% (1.7% on a Constant Currency basis) for the year ended December 31, 2024.

Revenue growth in the fourth quarter and year was driven by higher software and VMS sales and contribution from Forbury, offset by a decline in Non-Recurring Revenue*.

Recurring Revenue

For the quarter ended December 31, 2024, Recurring Revenue was \$101.1 million, up 8.7% (5.8% on a Constant Currency basis) or \$8.1 million (\$5.4 million on a Constant Currency basis) from \$93.0 million in the same period in 2023. Organic Recurring Revenue* for the quarter ended December 31, 2024 was \$99.3 million, up 7.3% (4.5% on a Constant Currency basis) from \$92.5 million in the same period in 2023. Sequentially, Recurring Revenue increased by 5.9% from \$95.4 million in the third quarter of 2024.

For the year ended December 31, 2024, Recurring Revenue was \$383.4 million, up 8.1% (6.4% on a Constant Currency basis) or \$28.8 million (\$22.8 million on a Constant Currency basis) from \$354.6 million in 2023. Organic

Recurring Revenue for the year ended December 31, 2024 was \$377.7 million, up 6.7% (5.0% on a Constant Currency basis) from \$354.1 million in 2023.

Recurring Revenue growth for the fourth quarter and year were primarily driven by higher software and VMS sales and contribution from Forbury.

New Bookings

For the quarter ended December 31, 2024, New Bookings were \$25.8 million, down 1.6% (5.3% on a Constant Currency basis) or \$0.4 million (\$1.4 million on a Constant Currency basis) from \$26.3 million in the same period in 2023. Recurring New Bookings were up 15.6% (10.9% on a Constant Currency basis) year-over-year, and Non-Recurring New Bookings were down 40.5% (42.2% on a Constant Currency basis) year-over-year for the quarter ended December 31, 2024.

For the year ended December 31, 2024, New Bookings were \$86.3 million, down 8.7% (10.2% on a Constant Currency basis) or \$8.2 million (\$9.6 million on a Constant Currency basis) from \$94.5 million in 2023. Recurring New Bookings were up 5.1% (3.3% on a Constant Currency basis) year-over-year, and Non-Recurring New Bookings were down 38.2% (39.2% on a Constant Currency basis) year-over-year for the year ended December 31, 2024.

New Bookings performance was impacted by the current economic environment.

Adjusted EBITDA

For the quarter ended December 31, 2024, Adjusted EBITDA was \$36.4 million, up 29.4% (25.2% on a Constant Currency basis) or \$8.3 million (\$7.1 million on a Constant Currency basis) from \$28.1 million in the same period in 2023. Adjusted EBITDA margin was 33.8%, up 650 basis points (630 basis points on a Constant Currency basis).

For the year ended December 31, 2024, Adjusted EBITDA was \$117.2 million, up 22.7% (20.0% on a Constant Currency basis) or \$21.7 million (\$19.1 million on a Constant Currency basis) from \$95.5 million in 2023. Adjusted EBITDA margin was 28.5%, up 420 basis points (400 basis points on a Constant Currency basis).

Adjusted EBITDA growth and margin expansion in the quarter and full year benefitted from higher revenues, operating efficiencies, ongoing cost optimization efforts, and foreign exchange fluctuations.

Appraisals and Development Advisory

<i>In thousands of dollars</i>	Quarter ended December 31,				Year ended December 31,			
	2024	2023	% Change	Constant Currency % Change	2024	2023	% Change	Constant Currency % Change
Revenues	\$ 27,964	\$ 28,046	(0.3%)	(1.0%)	\$ 109,208	\$ 117,577	(7.1%)	(7.3%)
Adjusted EBITDA	\$ 4,401	\$ 2,254	95.3%	93.4%	\$ 9,909	\$ 11,540	(14.1%)	(15.0%)
Adjusted EBITDA margin	15.7%	8.0%	770 bps	770 bps	9.1%	9.8%	70 bps	80 bps

Revenues

For the quarter ended December 31, 2024, revenues were \$28.0 million, in line with the same period in 2023.

For the year ended December 31, 2024, revenues were \$109.2 million, down 7.1% (7.3% on a Constant Currency basis) or \$8.4 million (\$8.6 million on a Constant Currency basis) from \$117.6 million in 2023.

The performance in the quarter and full year reflects muted market activity in the current economic environment.

Adjusted EBITDA

For the quarter ended December 31, 2024, Adjusted EBITDA was \$4.4 million, up 95.3% (93.4% on a Constant Currency basis) or \$2.1 million (\$2.1 million on a Constant Currency basis) from \$2.3 million in the same period in 2023, mainly driven by restructuring activities during the period.

For the year ended December 31, 2024, Adjusted EBITDA was \$9.9 million, down 14.1% (15.0% on a Constant Currency basis) or \$1.6 million (\$1.7 million on a Constant Currency basis) from \$11.5 million in 2023, reflecting the market conditions affecting revenues in the year while our cost base adjusted to the reduction in demand.

6.3. Corporate Costs

Corporate costs

Corporate costs were \$8.4 million for the quarter ended December 31, 2024, compared to \$9.5 million in the same period in 2023. The decrease in corporate costs in the fourth quarter primarily reflects the settlement of certain balances in preparation for the sale of the Property Tax business resulting in favourable foreign exchange fluctuations for the period. For the year ended December 31, 2024, corporate costs were \$44.2 million, compared to \$41.2 million in 2023. The increase in corporate costs for the year primarily reflects certain one-time expenditures related to strategic corporate initiatives, offset by the favourable foreign exchange fluctuations as discussed above.

7. Business Outlook

Forecasting future results or trends is inherently difficult for any business and actual results or trends may vary significantly. The discussion of our expectations relating to the business outlook in this section is forward-looking information that is based upon the assumptions and subject to the material risks discussed under the heading “Forward-Looking Information” beginning on page 1 of this MD&A.

The Company remains strongly positioned to sustain revenue and Adjusted EBITDA growth at a higher Adjusted EBITDA margin in 2025. Management expects CRE market conditions to gradually improve throughout 2025 with a stronger second half of the year. The business outlook for fiscal 2025 by reportable segment is as follows:

2025 outlook by reportable segment		
	FY 2025	Q1 2025
Analytics	<ul style="list-style-type: none"> 4 – 7% total Analytics revenue growth 6 – 9% Recurring Revenue growth 250 – 350 bps of Adjusted EBITDA margin expansion 	<ul style="list-style-type: none"> 0 – 2% total Analytics revenue growth 2 – 3% Recurring Revenue growth 50 – 150 bps of Adjusted EBITDA margin expansion
Appraisals and Development Advisory	<ul style="list-style-type: none"> Low single digit revenue growth Adjusted EBITDA margin expansion 	<ul style="list-style-type: none"> 4 – 6% revenue decline \$1 – 2 million Adjusted EBITDA improvement
Consolidated	<ul style="list-style-type: none"> 3 – 5% revenue growth 300 – 400 bps of Adjusted EBITDA margin expansion 	<ul style="list-style-type: none"> Flat revenue growth 150 – 250 bps of Adjusted EBITDA margin expansion

Note: Business Outlook presented on a Constant Currency* basis over the corresponding period in 2024. Future acquisitions are not factored into this outlook.

Key assumptions for the business outlook by segment: Analytics: consistency and growth in number of assets on the Valuation Management Solutions platform, continued ARGUS cloud conversions, new sales (including New Bookings converting to revenue within Management’s expected timeline and uptake on new product functionality), client and software retention consistent with 2024 levels, pricing action, improved operating leverage, as well as consistent and gradually improving economic conditions in financial and CRE markets. Appraisal & Development Advisory: improved client profitability and improved operating leverage. The Consolidated outlook assumes that corporate costs will remain elevated throughout 2025 consistent with 2024 levels.

Seasonality and Cyclicity

Some of our business lines are subject to cyclical trends and seasonality that may impact overall quarterly results.

As is typical for many technology companies, Analytics tends to have a seasonally stronger fourth quarter, and first quarter revenue and Adjusted EBITDA margins may be sequentially lower than in the fourth quarter of the preceding year (excluding the impact of unusual or nonrecurring items). We believe the strength in the fourth quarter generally reflects customer spending patterns and budget cycles, as well as the impact of incentive compensation plans for our sales personnel. The first quarter typically includes additional expenses, such as payroll taxes, that impact the sequential Adjusted EBITDA margin trend. Also, we experience some seasonality with our VMS offering around our second and fourth quarters related to frequency of valuations due to clients who conduct bi-annual and annual appraisals.

While these seasonal and cyclical factors have historically been relevant, given the evolution of our businesses through our growth and acquisitions, this pattern should not be considered as a reliable indicator of our future revenue or financial performance. Many other factors, including general economic conditions, may also have an impact on our business and financial results, and are described in our Annual Information Form for the year ended December 31, 2024.

8. Liquidity and Capital Resources

Due to the nature of the divestiture of our Property Tax business and the entanglement of capital resources held and managed centrally, our cash flows presented and discussed are inclusive of continuing operations and discontinued operations.

Cash Flow	Quarter ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
<i>In thousands of dollars</i>				
Net cash provided by (used in) operating activities	\$ 24,708	\$ 44,693	\$ 79,920	\$ 71,429
Net cash provided by (used in) financing activities	(32,310)	(17,998)	(75,622)	(51,781)
Net cash provided by (used in) investing activities	10,357	(30,021)	2,772	(34,923)
Effect of foreign currency translation	(291)	544	1,630	1,900
Change in cash position during the period ⁽¹⁾	\$ 2,464	\$ (2,782)	\$ 8,700	\$ (13,375)
Free Cash Flow	\$ 24,599	\$ 40,141	\$ 72,465	\$ 58,938
Dividends paid	\$ 6,272	\$ 6,706	\$ 24,726	\$ 26,579

⁽¹⁾ Changes in cash positions during the periods disclosed are inclusive of net cash flows attributable to the operating, investing and financing activities of discontinued operations.

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. Our liquidity may be affected by a reduction to future cash generated from operating activities, or by a limitation of access to short-term financing and tightening credit markets due to factors such as a significant erosion in the general state of the economy. For further details regarding our bank indebtedness, refer to the “Cash from Financing Activities” discussion below and Note 22 – Borrowings in the notes to the annual financial statements.

We returned \$27.7 million to shareholders in 2024 through quarterly dividends of \$0.15 per common share, or \$0.60 per common share for the year.

8.1. Cash from Operating Activities

Working Capital		
<i>In thousands of dollars</i>	December 31, 2024	December 31, 2023
Current assets	\$ 482,948	\$ 302,563
Current liabilities	(288,096)	(218,276)
Working capital	\$ 194,852	\$ 84,287

Current assets are composed primarily of cash and cash equivalents and trade receivables and other. It also includes income taxes recoverable and derivative financial instruments for our equity derivatives on RSUs and DSUs as well as assets held for sale. The increase is primarily due to the reclassification of assets that were held for sale relating to Property Tax.

Current liabilities are composed primarily of trade payables and other, lease liabilities, and liabilities directly associated with assets held for sale. It also includes income taxes payable. The increase is primarily driven by the reclassification of liabilities directly associated with assets that were held for sale relating to Property Tax in addition

to our share repurchase commitment under the ASPP, offset by the final payments of deferred consideration related to our historical acquisitions.

As at December 31, 2024, trade receivables, net and contract assets (unbilled revenue on customer contracts) net of contract liabilities (deferred revenue) were \$40.2 million, down 72.3% or \$104.9 million from \$145.1 million as at December 31, 2023, reflecting the reclassification of assets held for sale and liabilities associated with assets held for sale. After removing the components of our Property Tax discontinued operations from historical assets and liabilities, trade receivables, net and contract assets (unbilled revenue on customer contracts) net of contract liabilities (deferred revenue) were down 22.2% or \$11.5 million from \$51.7 million as at December 31, 2023. As a percentage of the trailing 12-month revenues, trade receivables and unbilled revenue on customer contracts net of deferred revenue was 7.7% as at December 31, 2024, as compared to 18.8% as at December 31, 2023 and 10.1% as at December 31, 2023 for our continuing operations.

Our DSO* has been restated to exclude components of our Property Tax discontinued operations and was 27 days as at December 31, 2024, as compared to 34 days as at December 31, 2023 and represents the sustaining of our increased billings and collections throughput and efforts since the first quarter of 2023.

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, 2024, the amounts owing to the vendors of acquired businesses were \$0.2 million, as compared to \$3.1 million as at December 31, 2023.

We expect to satisfy the balance of our current liabilities through the realization of our current assets.

Changes in working capital affecting net cash generated by (used in) operations	Quarter ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
<i>In thousands of dollars</i>				
Net changes in:				
Operating working capital	\$ 15,827	\$ 20,732	\$ 11,703	\$ (24,117)
Liabilities for cash-settled share-based compensation	8,891	485	19,246	591
Deferred consideration payables	-	59	(1,674)	(1,610)
Contingent consideration payables	(200)	-	(200)	(2,989)
Net changes	\$ 24,518	\$ 21,276	\$ 29,075	\$ (28,125)

Operating working capital is composed primarily of trade receivables and other, trade payables and other excluding the impacts of liabilities for cash-settled share-based compensation and contingent consideration payables, and income taxes recoverable and payable. The change in operating working capital for the year ended December 31, 2024 was primarily driven by an increase in our accrued liabilities, in addition to an increase in our contract liabilities (deferred revenue) associated with the timing and seasonality of our billings and collections.

Liabilities for cash-settled share-based compensation represent awards granted through our Long-Term Incentive Restricted Share Unit Plan, Restricted Share Unit Plan, or Deferred Share Unit Plan, which are to be settled in the future. These liabilities are linked, and therefore exposed, to movements in the price of our common shares. The movement in our liabilities for cash-settled share-based compensation was driven by the increase in the closing price of our common shares from \$42.14 per share on December 31, 2023 to \$56.00 per share on December 31, 2024, in addition to the acceleration of certain awards for employees of the Property Tax business. For further details regarding liabilities for cash-settled share-based compensation, refer to Note 24 – Share-based Compensation in the notes to the financial statements.

From time to time, we become party to deferred or contingent consideration payables which are assumed as part of an acquisition. Deferred consideration payments represent unconditional portions of the purchase consideration of our acquisitions that are payable at a date after the closing date of the related transaction. Contingent consideration payments are generally based on acquired businesses achieving certain future-oriented performance targets from the date of acquisition and may differ from our initial estimates.

8.2. Cash from Financing Activities

Our revolving bank credit facilities are used for general corporate purposes and the funding of our acquisitions. From time to time, we amend our bank credit facilities to further strengthen our liquidity position. On June 17, 2024, we amended our bank credit facilities to, among other things, facilitate changes to the members of the syndicate of lenders providing our credit facilities, as well as adopt CORRA as the new base reference rate for Canadian dollar loans, given the discontinuation of the CDOR. Our borrowing capacity remains at \$550.0 million with certain provisions that allow us to further increase the limit to \$650.0 million. The amended bank credit facilities maintain the existing maximum Funded debt to EBITDA financial covenant ratio of 4.5 with provisions that allow for a short-term increase up to 5.0 following certain business acquisitions and are secured on certain of our assets. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at our option. The commitment from certain lenders to increase our borrowing capacity under our existing bank facilities to fund the acquisition of REVS has been terminated with the termination of the proposed acquisition.

As at December 31, 2024, our total borrowings on our bank credit facilities amounted to \$282.9 million, a decrease of \$25.8 million from December 31, 2023, primarily based on working capital and operational requirements. During the year, we drew a total of \$34.4 million on our bank credit facilities, as compared to \$72.2 million in 2023. We repaid \$72.4 million during the year, as compared to \$83.6 million in 2023. We continue to pay down the total outstanding balance with cash flows generated from our operations as well as proceeds from the Property Tax divestiture.

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, 2024 on our bank credit facilities was 5.74%, as compared to 6.09% in 2023. To mitigate our exposure to interest rate fluctuations, on April 29, 2022, we entered into interest rate swap agreements for a total notional amount of GBP57.0 million to pay the counterparties a fixed interest rate of 2.07% per annum in exchange for an amount equal to the GBP – SONIA.

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. Furthermore, we have provided a security interest to the lenders over certain of our assets in connection with the bank credit facilities.

We also have outstanding letters of credit under our bank credit facilities in the total amount of \$1.5 million (December 31, 2023 – \$1.0 million).

As at December 31, 2024, 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, 2024
Funded debt to EBITDA (maximum of 4.50:1)	2.01:1
Interest coverage (minimum of 3.00:1)	6.90:1

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)				
	Total	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years
<i>In thousands of dollars</i>					
Bank credit facilities	\$ 282,855	\$ -	\$ 282,855	\$ -	\$ -
Lease obligations	48,503	14,694	20,794	9,240	3,775
Other liabilities	228,271	169,144	33,272	13,762	12,093
Total contractual obligations	\$ 559,629	\$ 183,838	\$ 336,921	\$ 23,002	\$ 15,868

⁽¹⁾ Contractual obligations exclude aggregate unfunded capital contributions of \$2.6 million to certain partnerships as the amount and timing of such payments are uncertain.

During the quarter and year ended December 31, 2024, we repurchased nil and 203,400 common shares, respectively, (2023 – 53,700 and 105,400, respectively) for total consideration of \$nil and \$11.0 million, respectively, (2023 – \$2.1 million and \$4.6 million, respectively) for cancellation under the NCIB.

8.3. 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	Quarter ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
<i>In thousands of dollars</i>				
Property, plant and equipment additions	\$ 30	\$ 1,189	\$ 1,392	\$ 4,827
Intangibles additions	79	3,363	6,063	7,664
Capital expenditures	\$ 109	\$ 4,552	\$ 7,455	\$ 12,491

We continued to make further investments in 2024 to transform how we operate, collaborate and go-to-market. These incremental investments improve how we engage with our employees and customers and enable us to efficiently and effectively scale as we continue to grow to better serve our markets and enhance our productivity metrics. During the quarter and year ended December 31, 2024, capital expenditures declined primarily due to higher expenditures and software development in Property Tax in the prior year.

8.4. Free Cash Flow

We proactively manage and optimize our Free Cash Flow available for reinvestment in our business. Free Cash Flow is reconciled as follows:

Free Cash Flow	Quarter ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
<i>In thousands of dollars</i>				
Net cash provided by (used in) operating activities	\$ 24,708	\$ 44,693	\$ 79,920	\$ 71,429
Less: Capital Expenditures	(109)	(4,552)	(7,455)	(12,491)
Free Cash Flow	\$ 24,599	\$ 40,141	\$ 72,465	\$ 58,938

We use 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.

Free Cash Flow for the quarter and year ended December 31, 2024 reflects our continued focus on cash generation while managing our strategic investments in our business.

9. Reconciliation of Non-GAAP Measures

9.1. 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):

<i>In thousands of dollars, except for per share amounts</i>	Quarter ended December 31,		Year ended December 31,	
	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
Profit (loss) for the period	\$ 10,638	\$ (140)	\$ 13,423	\$ 10,232
(Profit) loss from discontinued operations, net of tax	12,234	(8,179)	(14,216)	(43,725)
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 ⁽²⁾	(1,618)	(1,289)	(9,157)	(8,431)
Depreciation of right-of-use assets	1,595	2,078	8,271	8,047
Depreciation of property, plant and equipment and amortization of intangibles ⁽⁸⁾	8,752	9,560	35,745	37,382
Acquisition and related transition costs (income)	20	3,759	8,914	3,950
Unrealized foreign exchange (gain) loss ⁽³⁾	543	970	760	3,622
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles ⁽³⁾	(4,074)	(3)	(2,496)	16
Share of (profit) loss of joint venture	(937)	(810)	(2,950)	(3,146)
Non-cash share-based compensation costs ⁽⁴⁾	3,231	3,041	13,285	11,178
(Gain) loss on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs ⁽⁴⁾	24	1,512	(2,891)	5,531
Restructuring costs (recovery)	2,939	311	12,052	313
(Gain) loss on investments ⁽⁵⁾	194	659	(446)	301
Impairment charge	7,000	-	7,000	-
Other non-operating and/or non-recurring (income) costs ⁽⁶⁾	2,951	2,528	5,856	14,074
Finance costs (income), net – leases	301	131	938	771
Finance costs (income), net – other ⁽⁹⁾	3,781	8,816	18,457	23,836
Income tax expense (recovery) ⁽¹⁰⁾	(15,154)	(2,086)	(9,650)	1,812
Adjusted EBITDA	\$ 32,420	\$ 20,858	\$ 82,895	\$ 65,763
Depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses ⁽⁸⁾	(1,836)	(2,322)	(6,797)	(8,955)
Finance (costs) income, net – other ⁽⁹⁾	(3,781)	(8,816)	(18,457)	(23,836)
(Gain) loss on hedging transactions, including currency forward contracts and interest expense (income) on swaps ⁽⁹⁾	(502)	3,762	202	3,057
Tax effect of adjusted earnings (loss) adjustments ⁽¹⁰⁾	13,055	(1,664)	(3,830)	(13,958)
Adjusted earnings (loss)*	\$ 39,356	\$ 11,818	\$ 54,013	\$ 22,071
Weighted average number of shares – basic	45,904,069	45,421,165	45,787,374	45,302,194
Weighted average number of restricted shares	233,275	433,123	308,353	485,530
Weighted average number of shares – adjusted	46,137,344	45,854,288	46,095,727	45,787,724
Adjusted earnings (loss) per share ⁽⁷⁾	\$0.85	\$0.26	\$1.17	\$0.48

- (1) Comparative figures have been restated to reflect discontinued operations. Refer to Note 11 of the financial statements.
- (2) 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.
- (3) Included in other operating expenses in the consolidated statements of comprehensive income (loss).
- (4) Included in employee compensation expenses in the consolidated statements of comprehensive income (loss).
- (5) (Gain) loss on investments relates to changes in the fair value of investments in partnerships.
- (6) Other non-operating and/or non-recurring (income) costs for the quarters and years ended December 31, 2024 and 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 consolidated statements of comprehensive income (loss).
- (7) Refer to page 4 of this MD&A for the definition of Adjusted EPS.
- (8) 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.
- (9) 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.
- (10) 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.

9.2. 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 we primarily transact in:

	Quarter ended December 31, 2024		Year ended December 31, 2024	
	As presented	For Constant Currency	As presented	For Constant Currency
Canadian Dollar	1.000	1.000	1.000	1.000
United States Dollar	1.399	1.361	1.370	1.349
Pound Sterling	1.792	1.689	1.750	1.677
Euro	1.492	1.464	1.482	1.459
Australian Dollar	0.912	0.886	0.903	0.896

	Quarter ended December 31, 2023		Year ended December 31, 2023	
	As presented	For Constant Currency	As presented	For Constant Currency
Canadian Dollar	1.000	1.000	1.000	1.000
United States Dollar	1.361	1.357	1.349	1.301
Pound Sterling	1.689	1.593	1.677	1.608
Euro	1.464	1.386	1.459	1.370
Australian Dollar	0.886	0.892	0.896	0.903

10. Summary of Quarterly Results

<i>In thousands of dollars, except for per share amounts</i>	2024					2023				
	Fiscal 2024	Dec 31	Sep 30	Jun 30	Mar 31	Fiscal 2023	Dec 31	Sep 30	Jun 30	Mar 31
Results of Operations ⁽¹⁾										
Revenues	\$ 519,727	\$ 135,501	\$ 128,419	\$ 130,389	\$ 125,418	\$ 509,732	\$ 131,050	\$ 124,450	\$ 130,092	\$ 124,140
Adjusted EBITDA	\$ 82,895	\$ 32,420	\$ 21,568	\$ 17,985	\$ 10,922	\$ 65,763	\$ 20,858	\$ 16,981	\$ 16,468	\$ 11,456
Adjusted EBITDA margin	15.9%	23.9%	16.8%	13.8%	8.7%	12.9%	15.9%	13.6%	12.7%	9.2%
Profit (loss) for the period from continuing operations, net of tax	\$ (793)	\$ 22,872	\$ (2,877)	\$ (8,636)	\$ (12,152)	\$ (33,493)	\$ (8,319)	\$ (3,271)	\$ (10,487)	\$ (11,415)
Profit (loss) for the period from discontinued operations, net of tax	\$ 14,216	\$ (12,234)	\$ 3,532	\$ 10,919	\$ 11,999	\$ 43,725	\$ 8,179	\$ 4,200	\$ 22,343	\$ 9,009
Basic earnings (loss) per share:										
Continuing operations	\$(0.02)	\$0.50	\$(0.06)	\$(0.19)	\$(0.27)	\$(0.74)	\$(0.18)	\$(0.07)	\$(0.23)	\$(0.25)
Discontinued operations	\$0.31	\$(0.27)	\$0.08	\$0.24	\$0.26	\$0.97	\$0.18	\$0.09	\$0.49	\$0.20
Diluted earnings (loss) per share:										
Continuing operations	\$(0.02)	\$0.48	\$(0.06)	\$(0.19)	\$(0.27)	\$(0.74)	\$(0.18)	\$(0.07)	\$(0.23)	\$(0.25)
Discontinued operations	\$0.30	\$(0.26)	\$0.08	\$0.24	\$0.26	\$0.95	\$0.18	\$0.09	\$0.49	\$0.20
Adjusted earnings (loss) per share	\$1.17	\$0.85	\$0.19	\$0.14	\$(0.01)	\$0.48	\$0.26	\$0.14	\$0.05	\$0.03
Weighted average number shares ('000s):										
Basic	45,787	45,904	45,927	45,782	45,533	45,302	45,421	45,408	45,361	45,012
Diluted	46,762	47,193	46,803	46,418	45,533	45,908	45,421	45,904	45,816	45,012

⁽¹⁾ Comparative figures have been restated to reflect discontinued operations. Refer to Note 11 of the financial statements.

11. Selected Annual Information

Selected Financial Information	For the year ended December 31,		
<i>In thousands of dollars, except for per share amounts</i>	2024	2023 ⁽¹⁾	2022 ⁽¹⁾
Operations			
Revenues	\$ 519,727	\$ 509,732	\$ 466,868
Revenue growth	2.0%	9.2%	27.7%
Organic Revenue growth	0.9%	9.1%	18.9%
Adjusted EBITDA	\$ 82,895	\$ 65,763	\$ 47,789
Adjusted EBITDA growth	26.1%	37.6%	115.9%
Adjusted EBITDA margin	15.9%	12.9%	10.2%
Profit (loss) from continuing operations, net of tax	\$ (793)	\$ (33,493)	\$ (55,872)
Profit (loss) from discontinued operations, net of tax	\$ 14,216	\$ 43,725	\$ 54,982
Profit (loss)	\$ 13,423	\$ 10,232	\$ (890)
Basic earnings (loss) per share:			
Continuing operations	\$(0.02)	\$(0.74)	\$(1.25)
Discontinued operations	\$0.31	\$0.97	\$1.23
Diluted earnings (loss) per share:			
Continuing operations	\$(0.02)	\$(0.74)	\$(1.25)
Discontinued operations	\$0.30	\$0.95	\$1.23
Adjusted earnings (loss) per share	\$1.17	\$0.48	\$0.23
Dividends declared per share	\$0.60	\$0.60	\$0.60

⁽¹⁾ Comparative figures have been restated to reflect discontinued operations. Refer to Note 11 of the financial statements.

Balance Sheet	At December 31,		
	2024	2023	2022
Total assets	\$ 1,250,961	\$ 1,214,693	\$ 1,263,886
Long-term liabilities (excluding deferred income taxes)	328,466	363,736	390,552

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

12. Share Data

As at February 18, 2025, 46,029,408 common shares were outstanding and are net of 214,438 escrowed shares. These escrowed shares are subject to restrictive covenants and may or may not vest. 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, 2024, there were 2,214,170 share options outstanding (December 31, 2023 – 2,216,822 share options outstanding) at a weighted average exercise price of \$50.76 per share (December 31, 2023 – \$48.61 per share) and 935,414 share options were exercisable (December 31, 2023 – 835,575). All share options are exercisable into common shares on a one-for-one basis.

Shareholders who are resident in Canada may elect to automatically reinvest quarterly dividends in additional Altus Group common shares under our Dividend Reinvestment Plan (“DRIP”).

Pursuant to the DRIP, and in the case where common shares are issued from treasury, cash dividends will be reinvested in additional Altus Group common shares at the weighted average market price of our common shares for the five trading days immediately preceding the relevant dividend payment date, less a discount, currently set at 4%. In the case where common shares will be purchased on the open market, cash dividends will be reinvested in additional Altus Group common shares at the relevant average market price paid in respect of satisfying this reinvestment plan.

For the year ended December 31, 2024, 60,298 common shares (2023 – 17,668 common shares) were issued under the DRIP.

13. Financial Instruments and Other Instruments

Financial instruments held in the normal course of business included in our consolidated balance sheet as at December 31, 2024 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, 2024 was approximately \$33.6 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. On April 29, 2022, we entered into interest rate swap agreements for a total notional amount of GBP57.0 million. The net fair value of this derivative is \$4.8 million in our favour.

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, 2024, we have equity derivatives relating to RSUs and DSUs outstanding with a notional amount of \$35.3 million. The net fair value of these derivatives is \$14.1 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. 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.

14. 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.

15. Accounting Policies, Estimates, and Judgments

Assets Held for Sale

Non-current assets, or disposal groups, are classified as held-for-sale if it is probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying value and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with our other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, non-current assets are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

Discontinued Operations

A discontinued operation is a component of our business, with operations and cash flows that are distinguishable from those of the rest of the Company and which represents a separate major line of business or geographical area

of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively for resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the major line of business or geographical operation meets the criteria to be classified as assets held for sale or distribution. When an operation is classified as a discontinued operation, IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, requires that the comparative statements of comprehensive income (loss) are re-presented as if the operation was discontinued from the start of the comparative year. As a result, our discontinued operations are excluded from the profit (loss) from continuing operations and are presented as an amount, net of tax, as profit (loss) from discontinued operations in the statements of comprehensive income (loss). Furthermore, we have made the accounting policy choice to present net cash flows related to our discontinued operations in the notes to the financial statements.

15.1. 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.

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, 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 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, 2024, a goodwill impairment charge of \$7.0 million was recorded (2023 – \$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.

Determination of Assets Held for Sale

Classifying assets, or disposal groups, as held for sale can require significant judgment in determining if the sale is highly probable, especially for larger assets or disposal groups. This requires an assessment of, among other things, whether management is committed to the sale and if it is unlikely that significant changes to the disposal plan will be made.

15.2. Changes in Material Accounting Policies and Estimates

15.2.1. Adoption of Recent Accounting Pronouncements

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

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;
- require disclosures around the relevant information about the covenants to be complied with in order to have the 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.

The new guidance to annual periods beginning on or after January 1, 2024 is to be applied retrospectively. These amendments did not have a material impact on our consolidated financial statements.

15.2.2. Future Accounting Pronouncements

Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*, relating to the classification and measurement requirements of financial instruments recognized within those standards. These amendments:

- clarify that a financial liability is to be derecognized on the 'settlement date' and introduces an accounting policy to derecognize financial liabilities settled through an electronic payment system before settlement date if certain conditions are met;
- clarify how to assess the contractual cash flow characteristics of financial assets that include 'environmental, social and governance' - linked features and other similar contingent features;
- clarify the treatment of non-recourse assets and contractually linked instruments; and
- require additional disclosures for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

These amendments will be effective for annual periods beginning on or after January 1, 2026 and will be applied retrospectively with an adjustment to opening retained earnings. Prior periods will not be required to be restated and can only be restated without using hindsight. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures, and can apply other amendments subsequently. We do not expect material impacts from these amendments on our consolidated financial statements.

Issuance of IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, *Presentation of Financial Statements*. The issuance introduces new categories and subtotals in the statements of comprehensive income (loss), requires disclosure of management-defined performance measures, and includes new requirements for the location, aggregation and disaggregation of financial information. The new standard will:

- require the classification of all income and expenses within the statements of comprehensive income (loss) into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, entities will be required to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and incomes taxes' and 'profit or loss';
- introduce the concept of a management-defined performance measure ("MPM") which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity. The standard will require the disclosure of information about all of an entity's MPMs, including how the measure is calculated and reconciled to the most comparable subtotal specified by IFRS; and

- introduce a principle for determining the location of information based on identified 'roles' of the primary financial statements and the notes as well as require aggregation and disaggregation of information with reference to similar and dissimilar characteristics.

IFRS 18 will be effective for annual periods beginning on or after January 1, 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed. We are in the process of evaluating the impact of this standard on our consolidated financial statements.

16. 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 not limited the scope of the design of DC&P and ICFR to exclude controls, policies and procedures of any acquired businesses as at December 31, 2024.

Management has caused to be evaluated under its supervision the effectiveness of its DC&P as of December 31, 2024 and has concluded that the design and effectiveness of these controls and procedures provide reasonable assurance that material information relating to Altus Group, 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, 2024, 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, 2024, 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 annual financial statements as at and for the year ended December 31, 2024.

17. Additional Information

Additional information relating to Altus Group Limited, including our Annual Information Form, is available on SEDAR+ at www.sedarplus.ca 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

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Stock trading symbol: AIF

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