



Altus Group

Q1 2020 Financial Statements

For the three months ended March 31, 2020

Altus Group Limited



Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

(Expressed in Thousands of Canadian Dollars)

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Altus Group Limited



Interim Condensed Consolidated Statements of Comprehensive Income (Loss) For the Three Months Ended March 31, 2020 and 2019 (Unaudited)

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

		Three months ended March 31	
	Notes	2020	2019 ⁽¹⁾
Revenues	5	\$ 131,256	\$ 117,348
Expenses			
Employee compensation		88,355	79,552
Occupancy		2,071	1,619
Office and other operating		26,882	21,657
Depreciation of right-of-use assets		2,872	3,276
Depreciation of property, plant and equipment		1,323	1,461
Amortization of intangibles		6,394	7,955
Acquisition and related transition costs (income)		(1,176)	(18)
Restructuring costs (recovery)		(25)	-
(Gain) loss on investments		(125)	(107)
Finance costs (income), net - leases	6	660	687
Finance costs (income), net - other	6	1,507	1,650
Profit (loss) from continuing operations before income taxes		2,518	(384)
Income tax expense (recovery)	7	761	(840)
Profit (loss) for the period from continuing operations		\$ 1,757	\$ 456
Profit (loss) for the period from discontinued operations	8	(5,436)	(891)
Profit (loss) for the period attributable to shareholders		\$ (3,679)	\$ (435)
Other comprehensive income (loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Currency translation differences		21,666	(5,074)
Items that are not reclassified to profit or loss in subsequent periods:			
Change in fair value of FVOCI investments		(1,250)	(126)
Other comprehensive income (loss), net of tax		20,416	(5,200)
Total comprehensive income (loss) for the period, net of tax, attributable to shareholders		\$ 16,737	\$ (5,635)
Earnings (loss) per share attributable to the shareholders of the Company during the period			
Basic earnings (loss) per share:			
Continuing operations	15	\$0.04	\$0.01
Discontinued operations	15	\$(0.14)	\$(0.02)
Diluted earnings (loss) per share:			
Continuing operations	15	\$0.04	\$0.01
Discontinued operations	15	\$(0.13)	\$(0.02)

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

⁽¹⁾ Comparative figures have been restated to reflect discontinued operations (Notes 4, 5 and 8).

Altus Group Limited



Interim Condensed Consolidated Balance Sheets As at March 31, 2020 and December 31, 2019 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

	Notes	March 31, 2020	December 31, 2019
Assets			
Current assets			
Cash and cash equivalents		\$ 71,158	\$ 60,262
Trade receivables and other	9	182,041	181,955
Income taxes recoverable		3,957	2,403
Derivative financial instruments		1,238	1,449
		258,394	246,069
Assets held for sale	8	21,944	-
		280,338	246,069
Non-current assets			
Trade receivables and other	9	1,639	3,696
Derivative financial instruments		4,613	5,975
Investments	10	10,942	11,481
Deferred tax assets		22,735	22,163
Right-of-use assets		59,540	63,729
Property, plant and equipment		23,178	29,037
Intangibles		90,491	92,595
Goodwill		265,408	260,380
		478,546	489,056
Total Assets		\$ 758,884	\$ 735,125
Liabilities			
Current liabilities			
Trade payables and other	11	\$ 101,417	\$ 128,566
Income taxes payable		2,862	4,548
Lease liabilities		11,473	12,564
Borrowings	12	135	137,929
Derivative financial instruments		19	-
		115,906	283,607
Liabilities directly associated with assets held for sale	8	7,203	-
		123,109	283,607
Non-current liabilities			
Trade payables and other	11	11,502	16,197
Lease liabilities		60,225	63,419
Borrowings	12	175,344	334
Deferred tax liabilities		13,621	11,916
		260,692	91,866
Total Liabilities		383,801	375,473
Shareholders' Equity			
Share capital	13	517,754	509,646
Contributed surplus		21,104	24,447
Accumulated other comprehensive income (loss)		60,661	40,245
Retained earnings (deficit)		(224,436)	(214,686)
Total Shareholders' Equity		375,083	359,652
Total Liabilities and Shareholders' Equity		\$ 758,884	\$ 735,125

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

Altus Group Limited



Interim Condensed Consolidated Statements of Changes in Equity For the Three Months Ended March 31, 2020 and 2019 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

	Notes	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholders' Equity
As at January 1, 2019		\$ 491,542	\$ 21,882	\$ 54,558	\$ (209,556)	\$ 358,426
Profit (loss) for the period		-	-	-	(435)	(435)
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	(5,074)	-	(5,074)
Change in fair value of FVOCI investments		-	-	(126)	-	(126)
Total comprehensive income (loss) for the period		-	-	(5,200)	(435)	(5,635)
Transactions with owners:						
Dividends declared		-	-	-	(5,945)	(5,945)
Share-based compensation		-	2,299	-	-	2,299
Dividend Reinvestment Plan		1,710	-	-	-	1,710
Shares issued on exercise of options		377	(64)	-	-	313
Shares issued under the Equity Compensation Plan		4,818	(2,891)	-	-	1,927
Treasury shares purchased for share-based compensation		(5,961)	-	-	-	(5,961)
Release of treasury shares under the Restricted Share Plan		167	(82)	-	-	85
Gain (loss) on sale of RSs and shares held in escrow		-	(29)	-	-	(29)
		1,111	(767)	-	(5,945)	(5,601)
As at March 31, 2019		\$ 492,653	\$ 21,115	\$ 49,358	\$ (215,936)	\$ 347,190
As at January 1, 2020		\$ 509,646	\$ 24,447	\$ 40,245	\$ (214,686)	\$ 359,652
Profit (loss) for the period		-	-	-	(3,679)	(3,679)
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	21,666	-	21,666
Change in fair value of FVOCI investments		-	-	(1,250)	-	(1,250)
Total comprehensive income (loss) for the period		-	-	20,416	(3,679)	16,737
Transactions with owners:						
Dividends declared	16	-	-	-	(6,071)	(6,071)
Share-based compensation	14	-	2,612	-	-	2,612
Dividend Reinvestment Plan	13	689	-	-	-	689
Shares issued on exercise of options	13, 14	6,377	(986)	-	-	5,391
Shares issued under the Long-Term Equity Incentive Plan	13, 14	2,608	(2,098)	-	-	510
Treasury shares reserved for share-based compensation	13, 14	(4,527)	-	-	-	(4,527)
Release of treasury shares under the Restricted Share Plan	13, 14	2,961	(2,869)	-	-	92
Gain (loss) on sale of RSs and shares held in escrow		-	(2)	-	-	(2)
		8,108	(3,343)	-	(6,071)	(1,306)
As at March 31, 2020		\$ 517,754	\$ 21,104	\$ 60,661	\$ (224,436)	\$ 375,883

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

Interim Condensed Consolidated Statements of Cash Flows For the Three Months Ended March 31, 2020 and 2019 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

	Notes	Three months ended March 31	
		2020 ⁽¹⁾	2019
Cash flows from operating activities			
Profit (loss) before income taxes from continuing operations		\$ 2,518	\$ (384)
Profit (loss) before income taxes from discontinued operations	8	(5,436)	(891)
Profit (loss) before income taxes		\$ (2,918)	\$ (1,275)
Adjustments for:			
Depreciation of right-of-use assets		2,924	3,650
Depreciation of property, plant and equipment		1,434	1,916
Amortization of intangibles		6,395	8,427
Finance costs (income), net - leases	6	699	732
Finance costs (income), net - other	6	1,498	1,650
Share-based compensation	14	2,612	2,299
Unrealized foreign exchange (gain) loss		(772)	494
(Gain) loss on investments	10	(125)	(107)
(Gain) loss on disposal of property, plant and equipment and intangibles		(32)	276
(Gain) loss on equity derivatives and interest rate swaps		1,436	(1,087)
Fair value loss (gain) on net assets directly associated with discontinued operations		4,507	-
Net changes in operating working capital		(29,572)	(18,613)
Net cash generated by (used in) operations		(11,914)	(1,638)
Less: interest paid on borrowings		(1,164)	(1,058)
Less: interest paid on leases		(699)	(732)
Less: income taxes paid		(3,274)	(6,236)
Add: income taxes refunded		639	1,546
Net cash provided by (used in) operating activities		(16,412)	(8,118)
Cash flows from financing activities			
Proceeds from exercise of options	13, 14	5,391	313
Financing fees paid		(553)	-
Proceeds from borrowings	12	38,135	13,434
Repayment of borrowings	12	(17)	(231)
Payments of principal on lease liabilities		(3,863)	(2,869)
Dividends paid	16	(5,340)	(4,184)
Treasury shares purchased under the Restricted Share Plan	13, 14	(4,017)	(4,268)
Net cash provided by (used in) financing activities		29,736	2,195
Cash flows from investing activities			
Purchase of investments	10	(145)	(303)
Purchase of intangibles		(63)	(62)
Purchase of property, plant and equipment		(920)	(1,320)
Proceeds from disposal of property, plant and equipment and intangibles		53	15
Net cash provided by (used in) investing activities		(1,075)	(1,670)
Effect of foreign currency translation		2,357	(3,626)
Net increase (decrease) in cash and cash equivalents		14,606	(11,219)
Cash and cash equivalents, beginning of period		60,262	48,738
Cash and cash equivalents, end of period		\$ 74,868	\$ 37,519

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

⁽¹⁾ Included in cash and cash equivalents as at March 31, 2020 is \$3,710 related to discontinued operations (Notes 4 and 8).

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

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

1. Business and Structure

Altus Group Limited (the "Company") is a leading provider of software, data solutions and independent advisory services to the global commercial real estate ("CRE") industry. The Company's businesses, Altus Analytics and Commercial Real Estate Consulting, reflect decades of experience, a range of expertise, and technology-enabled capabilities. The Company's solutions empower clients to analyze, gain insight and recognize value on their real estate investments. Headquartered in Canada, the Company has approximately 2,250* employees around the world, with operations in North America, Europe and Asia Pacific. The Company's clients include many of the world's largest CRE industry participants.

During the period, the Company conducted its business through three business units: Altus Analytics, Commercial Real Estate Consulting and Geomatics. On January 21, 2020, the Company agreed, subject to definitive documentation, to combine its Geomatics business segment with WSP Global Inc.'s respective geomatics business unit. The combined entity will comprise of employees in offices in Western Canada and Ontario. The transaction, which is subject to finalization of definitive documentation, is expected to close in the second quarter of 2020, and accordingly, Geomatics is presented as discontinued operations. The Company will continue to conduct its business through its two remaining business units: Altus Analytics and Commercial Real Estate Consulting.

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

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

2. Basis of Preparation

These interim condensed consolidated financial statements ("interim financial statements") as at and for the period ended March 31, 2020 follow the same accounting policies and methods of their application as those used in the Company's most recent audited annual consolidated financial statements as at and for the year ended December 31, 2019, except for those identified under Changes in Significant Accounting Policies and Estimates (Note 4).

These interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Accordingly, they do not include all of the information and disclosures required in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2019.

* The employee headcount shown above excludes approximately 250 employees from the Company's Geomatics discontinued operations. 5

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

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

2. Basis of Preparation, cont'd

These interim financial statements were approved by the Board of Directors for issue on May 7, 2020.

3. Critical Accounting Estimates and Judgments

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

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

Refer to Note 4, "Changes in Significant Accounting Policies and Estimates", for a discussion of newly adopted accounting pronouncements and accounting policies.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

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

4. Changes in Significant Accounting Policies and Estimates

Discontinued Operations

A discontinued operation is a component of the Company's 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, and which 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, the Company's 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, the Company has made the accounting policy choice to present net cash flows related to its discontinued operations in the notes to the interim financial statements.

Adoption of Recent Accounting Pronouncements

Amendments to IFRS 3, Business Combinations

In October 2018, the IASB issued amendments to the guidance in IFRS 3, *Business Combinations*, which revise the definition of a business for acquisition accounting purposes. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present. To be considered a business without outputs, there will now need to be an organized workforce present. Under the new standard, the changes to the definition of a business will likely result in more acquisitions being accounted for as asset acquisitions.

The amendments to IFRS 3 are effective for business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting periods beginning on or after January 1, 2020. The Company will assess the impact of this standard on a case-by-case basis upon future acquisitions performed but does not anticipate a material impact due to the nature and structure of its historical acquisitions.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

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

4. Changes in Significant Accounting Policies and Estimates, cont'd

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

In September 2019, the IASB issued amendments to IFRS 7, *Financial Instruments and Disclosures*, IFRS 9, *Financial Instruments*, and IAS 39, *Financial Instruments: Recognition and Measurement*, to provide reliefs applying to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or hedging instrument.

These amendments are effective for annual periods beginning on or after January 1, 2020. The amendments had no impact on the interim financial statements.

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, to align the definition of "material" across the standards and to clarify certain aspects of the definition. The new definition states that, "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

These amendments are effective for annual periods beginning on or after January 1, 2020. The amendments to the definition of material did not have a significant impact on the interim financial statements nor is there any expectation of a future impact to the Company.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

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

4. Changes in Significant Accounting Policies and Estimates, cont'd

Future Accounting Pronouncements

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

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

In January 2020, the IASB has issued an amendment 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 the Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

The new guidance will be effective for annual periods starting on or after January 1, 2022 and is to be applied retrospectively. The Company has not yet determined the impact of this standard on its financial statements.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

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

5. Segmented Information

The segmentation reflects the way the CEO allocates resources and assesses performance. The CEO considers the business from a core service perspective. The areas of core service are Altus Analytics and Commercial Real Estate Consulting. As the Company agreed on January 21, 2020, subject to definitive documentation, to combine its Geomatics business segment with WSP Global Inc.'s respective geomatics business unit, the Geomatics business is no longer considered a core service and is presented as discontinued operations in these interim financial statements (Notes 4 and 8). Accordingly, the results of the Geomatics business are not reflected in the segmented information presented.

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

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

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

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

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Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

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

5. Segmented Information, cont'd

Subsequent to the classification of the Geomatics business as a discontinued operation, the measurement of Adjusted EBITDA has been modified to reflect an adjustment for profit (loss) from discontinued operations.

Management believes that the non-GAAP measure may provide useful information to investors in measuring the Company's financial performance.

Notes to Interim Condensed Consolidated Financial Statements March 31, 2020 and 2019 (Unaudited)

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

5. Segmented Information, cont'd

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

	Three months ended March 31, 2020	Three months ended March 31, 2019 ⁽¹⁾
Adjusted EBITDA	\$ 13,248	\$ 13,557
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 ⁽²⁾	3,042	2,985
Depreciation of right-of-use assets	(2,872)	(3,276)
Depreciation of property, plant and equipment and amortization of intangibles	(7,717)	(9,416)
Acquisition and related transition (costs) income	1,176	18
Unrealized foreign exchange gain (loss) ⁽³⁾	772	(494)
Gain (loss) on disposal of property, plant and equipment and intangibles ⁽³⁾	(14)	(273)
Non-cash Equity Compensation Plan and Long-Term Equity Incentive Plan costs ⁽⁴⁾	(1,515)	(1,176)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged ⁽⁴⁾	(764)	(79)
Restructuring (costs) recovery	25	-
Gain (loss) on investments ⁽⁵⁾	125	107
Other non-operating and/or non-recurring income (costs) ⁽⁶⁾	(821)	-
Earnings (loss) from continuing operations before finance costs and income taxes	4,685	1,953
Finance (costs) income, net - leases	(660)	(687)
Finance (costs) income, net - other	(1,507)	(1,650)
Profit (loss) from continuing operations before income taxes	2,518	(384)
Income tax (expense) recovery	(761)	840
Profit (loss) for the period from continuing operations	1,757	456
Profit (loss) for the period from discontinued operations	(5,436)	(891)
Profit (loss) for the period	\$ (3,679)	\$ (435)

⁽¹⁾ Comparative figures have been restated to reflect discontinued operations (Notes 4 and 8).

⁽²⁾ Management uses the non-GAAP occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 when analyzing operating performance, which may provide useful information to investors in measuring the Company's financial performance.

⁽³⁾ Included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).

⁽⁴⁾ Included in employee compensation expenses in the interim condensed 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 three months ended March 31, 2020 relate to (i) transitional costs related to the departure of a senior executive, (ii) legal, advisory, and other consulting costs related to a Board strategic initiative, and (iii) transaction and other related costs. These are included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements March 31, 2020 and 2019 (Unaudited)

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

5. Segmented Information, cont'd

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

Segment Revenues and Expenditures

	Three months ended March 31, 2020						
	Altus Analytics	Commercial Property Tax	Real Estate Valuation and Cost Advisory	Consulting Total	Corporate ⁽¹⁾	Eliminations	Total
Revenues from external customers	\$ 51,589	\$ 52,596	\$ 27,071	\$ 79,667	\$ -	\$ -	\$ 131,256
Inter-segment revenues	130	-	(56)	(56)	-	(74)	-
Total segment revenues	51,719	52,596	27,015	79,611	-	(74)	131,256
Adjusted EBITDA	9,272	10,564	2,777	13,341	(9,365)	-	13,248
Depreciation of right-of-use assets	1,090	872	703	1,575	207	-	2,872
Depreciation of property, plant and equipment and amortization of intangibles	3,288	3,473	590	4,063	366	-	7,717
Finance costs (income), net - leases	223	198	162	360	77	-	660
Finance costs (income), net - other	-	-	-	-	1,507	-	1,507
Income tax expense (recovery)	-	-	-	-	761	-	761

⁽¹⁾ Corporate includes global corporate office costs, finance costs (income), net - other and income tax expense (recovery). For the three months ended March 31, 2020, Corporate also includes accrued bonuses that relate to the Company's continuing operations. The allocation to various business units will be determined at year-end and allocated at that time accordingly.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

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

5. Segmented Information, cont'd

	Three months ended March 31, 2019						
	Altus Analytics	Commercial Property Tax	Real Estate Valuation and Cost Advisory	Consulting Total	Corporate ⁽¹⁾⁽²⁾	Eliminations	Total ⁽²⁾
Revenues from external customers	\$ 46,617	\$ 44,698	\$ 26,033	\$ 70,731	\$ -	\$ -	\$ 117,348
Inter-segment revenues	164	-	(58)	(58)	-	(106)	-
Total segment revenues	46,781	44,698	25,975	70,673	-	(106)	117,348
Adjusted EBITDA	9,821	9,598	2,500	12,098	(8,362)	-	13,557
Depreciation of right-of-use assets ⁽³⁾	1,042	1,028	897	1,925	309	-	3,276
Depreciation of property, plant and equipment and amortization of intangibles	3,404	4,723	762	5,485	527	-	9,416
Finance costs (income), net - leases ⁽³⁾	201	208	187	395	91	-	687
Finance costs (income), net - other	-	-	-	-	1,650	-	1,650
Income tax expense (recovery)	-	-	-	-	(840)	-	(840)

⁽¹⁾ Corporate includes global corporate office costs, finance costs (income), net - other and income tax expense (recovery). For the three months ended March 31, 2019, Corporate also includes accrued bonuses that relate to the Company's continuing operations. The allocation to various business units will be determined at year-end and allocated at that time accordingly.

⁽²⁾ Comparative figures have been restated to reflect discontinued operations (Notes 4 and 8).

⁽³⁾ Comparative figures have been restated to reflect the allocation to various business units for Corporate and shared leases previously reported within Corporate.

6. Finance Costs (Income), Net

	Three months ended March 31, 2020	Three months ended March 31, 2019 ⁽¹⁾
Interest on bank credit facilities	\$ 1,325	\$ 1,280
Interest on lease liabilities	660	687
Contingent consideration payables: unwinding of discount (Note 17)	45	158
Provisions: unwinding of discount	18	17
Change in fair value of interest rate swaps	154	310
Finance costs	2,202	2,452
Finance income	(35)	(115)
Finance costs (income), net	\$ 2,167	\$ 2,337

⁽¹⁾ Comparative figures have been restated to reflect discontinued operations (Notes 4 and 8).

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements March 31, 2020 and 2019 (Unaudited)

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

7. Income Taxes

	Three months ended March 31, 2020	Three months ended March 31, 2019
Income tax expense (recovery)		
Current	\$ (616)	\$ (1,033)
Deferred	1,377	193
	\$ 761	\$ (840)

8. Discontinued Operations

On January 21, 2020, the Company agreed, subject to definitive documentation, to combine its Geomatics business segment with WSP Global Inc.'s respective geomatics business unit. The combined entity will comprise of employees in offices in Western Canada and Ontario. The transaction, which is subject to finalization of definitive documentation, is expected to close in the second quarter of 2020.

As the Company's Geomatics business segment is highly probable to be sold within one year of the announcement and is a separate major line of business, the Geomatics segment has been classified as a discontinued operation. Accordingly, the comparative interim condensed consolidated statement of comprehensive income (loss) has been re-presented separately between continuing and discontinued operations. Furthermore, the Geomatics segment is no longer presented in the segmented information (Note 5), and the Company has made an accounting policy choice to present details of net cash flows from discontinued operations in this note to the interim financial statements. Unless otherwise specified, all other notes to the interim financial statements do not include amounts from discontinued operations.

Notes to Interim Condensed Consolidated Financial Statements March 31, 2020 and 2019 (Unaudited)

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

8. Discontinued Operations, cont'd

Financial information relating to the discontinued operation for the period is set out below.

The results of the Geomatics business presented as profit (loss) for the period from discontinued operations in the interim condensed consolidated statements of comprehensive income (loss) are as follows:

	Three months ended March 31, 2020	Three months ended March 31, 2019
Revenues	\$ 7,968	\$ 10,650
Expenses		
Employee compensation	5,890	7,041
Occupancy	178	194
Office and other operating	2,211	2,960
Depreciation of right-of-use assets	52	374
Depreciation of property, plant and equipment	111	455
Amortization of intangibles	1	472
Restructuring costs (recovery)	424	-
Finance costs (income), net - leases	38	45
Finance costs (income), net - other	(8)	-
Fair value loss (gain) on net assets directly associated with discontinued operations	4,507	-
Profit (loss) for the period from discontinued operations	\$ (5,436)	\$ (891)

The net cash flows provided by (used in) the Geomatics discontinued operations are as follows:

	Three months ended March 31, 2020	Three months ended March 31, 2019
Net cash provided by (used in) operating activities	\$ 1,539	\$ (588)
Net cash provided by (used in) financing activities	(255)	(317)
Net cash provided by (used in) investing activities	(144)	(545)
Cash flows from discontinued operations	\$ 1,140	\$ (1,450)

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

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

8. Discontinued Operations, cont'd

The assets and liabilities of the Geomatics business classified as held for sale as at March 31, 2020 are as follows:

	March 31, 2020
Assets	
Current assets	
Cash and cash equivalents	\$ 3,710
Trade receivables and other	9,288
	12,998
Non-current assets	
Right-of-use assets	3,354
Property, plant and equipment	5,529
Intangibles	63
	8,946
Total Assets	\$ 21,944
Liabilities	
Current liabilities	
Trade payables and other	\$ 2,760
Lease liabilities	1,018
Borrowings	69
	3,847
Non-current liabilities	
Trade payables and other	322
Lease liabilities	2,717
Borrowings	317
	3,356
Total Liabilities	\$ 7,203
Net assets directly associated with discontinued operations	\$ 14,741

Following the classification on January 21, 2020, a fair value loss of \$4,507 was recognized during the period to reduce the carrying value of the assets held for sale to the lower of their carrying value or their fair value less costs to sell. This was recognized in profit (loss) from discontinued operations.

Notes to Interim Condensed Consolidated Financial Statements March 31, 2020 and 2019 (Unaudited)

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

9. Trade Receivables and Other

	March 31, 2020	December 31, 2019
Trade receivables	\$ 124,241	\$ 127,462
Less: loss allowance provision	11,523	10,924
Trade receivables, net	112,718	116,538
Contract assets: unbilled revenue on customer contracts ⁽¹⁾	53,913	53,136
Deferred costs to obtain customer contracts	1,800	1,745
Prepayments	14,079	12,516
Other receivables	1,170	1,716
	183,680	185,651
Less: non-current portion	1,639	3,696
	\$ 182,041	\$ 181,955

⁽¹⁾ On March 31, 2020, contract assets are stated net of expected credit losses of \$1,555 (2019 - \$1,364).

For the three months ended March 31, 2020, \$437 of amortization associated with deferred costs to obtain customer contracts was expensed to the interim condensed consolidated statements of comprehensive income (loss) (2019 - \$175). For the three months ended March 31, 2020 and 2019, no impairment losses on deferred costs were recognized.

10. Investments

	March 31, 2020	December 31, 2019
Investments in equity instruments	\$ 8,323	\$ 9,288
Investments in partnerships	2,619	2,193
	\$ 10,942	\$ 11,481

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

Notes to Interim Condensed Consolidated Financial Statements March 31, 2020 and 2019 (Unaudited)

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

11. Trade Payables and Other

	March 31, 2020	December 31, 2019
Trade payables	\$ 9,522	\$ 9,936
Accrued expenses	48,692	79,689
Contract liabilities: deferred revenue	41,558	40,321
Contingent consideration payables (Note 17)	6,532	7,667
Dividends payable (Note 16)	6,071	6,029
Provisions	544	1,121
	112,919	144,763
Less non-current portion:		
Accrued expenses	9,868	11,937
Contract liabilities: deferred revenue	1,189	1,458
Contingent consideration payables	-	2,289
Provisions	445	513
	11,502	16,197
	\$ 101,417	\$ 128,566

12. Borrowings

	March 31, 2020	December 31, 2019
Bank credit facilities	\$ 176,135	\$ 138,000
Leasehold improvement loans	-	403
Less: deferred financing fees	656	140
	175,479	138,263
Less non-current portion:		
Bank credit facilities	176,000	-
Leasehold improvement loans	-	334
Less: deferred financing fees	656	-
	175,344	334
	\$ 135	\$ 137,929

Amendment to bank credit facilities

On March 24, 2020, the Company amended its bank credit facilities to further strengthen its financial and liquidity position. The amended credit facilities increase the Company's borrowing capacity to \$275,000 from \$200,000, with certain provisions that allow the Company to further increase the limit to \$350,000. The amended agreement extends the term by three years expiring March 24, 2023, with an additional two-year extension at the Company's option. The other significant amendment is that the bank credit facilities are moving to an unsecured structure.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

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

12. Borrowings, cont'd

Loans bear interest at a floating rate, based on the Canadian Prime rates, Canadian Bankers' Acceptance rates, U.S. Base rates or LIBOR rates plus, in each case, an applicable margin to those rates. The applicable margin for Canadian Bankers' Acceptance and LIBOR borrowings depends on a trailing four-quarter calculation of the funded debt to EBITDA ratio. The amended bank credit facilities require the Company to comply with the following financial ratios:

- Maximum Funded Debt to EBITDA ratio: maximum of 4.00:1
- Minimum Interest Coverage ratio: minimum of 3.00:1

In addition, the Company and certain of its subsidiaries, collectively the guarantors, must account for at least 80% of consolidated revenues on a trailing 12-month basis.

13. Share Capital

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

	Number of Shares	Common Shares	
			Amount
Balance as at January 1, 2020	39,826,600	\$	509,646
Issued on exercise of options (Note 14)	198,992		6,377
Issued under the Dividend Reinvestment Plan	17,538		689
Issued under the Long-Term Equity Incentive Plan	66,013		2,608
Treasury shares reserved under the Restricted Share Plan	(55,543)		(4,017)
Treasury shares reserved under the Long-Term Equity Incentive Plan	(7,007)		(510)
Release of treasury shares	66,012		2,961
Balance as at March 31, 2020	40,112,605	\$	517,754

The 40,112,605 common shares as at March 31, 2020 are net of 361,402 treasury shares with a carrying value of \$17,761 that are being held by the Company until vesting conditions are met (Note 14).

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements March 31, 2020 and 2019 (Unaudited)

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

14. Share-based Compensation

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

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

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

	Number of Options Outstanding	Weighted Average Exercise Price
Balance as at January 1, 2020	1,579,283	\$28.98
Granted	522,199	\$45.11
Exercised	(198,992)	\$27.11
Expired/Forfeited	(12,978)	\$32.43
Balance as at March 31, 2020	1,889,512	\$33.61

Information about the Company's share options outstanding and exercisable as at March 31, 2020 is as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Exercisable
\$19.29 - \$23.85	156,110	1.55 years	156,110
\$26.04 - \$29.72	573,108	3.46 years	237,908
\$30.70 - \$35.83	538,321	3.23 years	207,534
\$36.91 - \$45.11	621,973	4.87 years	-
\$33.61	1,889,512	3.70 years	601,552

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2020 and 2019

(Unaudited)

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

14. Share-based Compensation, cont'd

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

	March 6, 2020
Risk-free interest rate	0.67%
Expected dividend yield	1.3%
Expected volatility	25.42% - 26.02%
Expected option life	3.00 - 4.50 years
Exercise price	\$45.11
Weighted average grant-date fair value per option	\$7.19 - \$8.74

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

	Common shares
Balance as at January 1, 2020	126,096
Granted	7,007
Forfeited	(2,793)
Balance as at March 31, 2020	130,310

The Company settled vested PSUs under the Equity Compensation Plan and Long-Term Equity Incentive Plan through the issuance of common shares:

	Common shares
Settled in March 2019	162,086
Settled in March 2020	54,707

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

	Number of PSUs
Granted in 2019	186,542
Granted in 2020	135,494

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

14. Share-based Compensation, cont'd

(ii) Deferred Compensation Plans

The following is a summary of the Company's restricted share plan ("RS Plan") activity:

	Number of RSs
Balance as at January 1, 2020 (all unvested)	239,200
Granted	55,543
Settled	(63,960)
Forfeited	(1,491)
Balance as at March 31, 2020 (all unvested)	229,292

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

In connection with the 2018 performance year, the Company granted a total of \$4,128 under the RS Plan. In March 2019, the Company purchased 100,482 common shares in the open market (through the facilities of the TSX or by private agreement).

The following is a summary of the Company's restricted share unit plan ("RSU Plan") activity:

	Number of RSUs
Balance as at January 1, 2020 (all unvested)	327,591
Granted	76,100
Settled	(69,780)
Forfeited	(4,024)
Balance as at March 31, 2020 (all unvested)	329,887

(iii) Directors' Deferred Share Unit Plan

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

	Number of DSUs
Balance as at January 1, 2020	161,662
Granted	7,952
Redeemed	(30,081)
Balance as at March 31, 2020	139,533

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

14. Share-based Compensation, cont'd

(iv) Compensation Expense by Plan

	Three months ended March 31, 2020	Three months ended March 31, 2019
Share Option Plan	\$ 13	\$ 22
Equity Compensation Plan	308	254
Long-Term Equity Incentive Plan	1,227	1,038
RS Plan	1,064	991
RSU Plan ⁽¹⁾	1,128	1,748
DSU Plan ⁽²⁾	282	689

⁽¹⁾ For the three months ended March 31, 2020, the Company recorded mark-to-market adjustments of \$157 (2019 - \$654).

⁽²⁾ For the three months ended March 31, 2020, the Company recorded mark-to-market adjustments of \$(43) (2019 - \$433).

Included in compensation expense above are amounts related to the Geomatics discontinued operations totaling \$61 (2019 - \$177).

(v) Liabilities for Cash-settled Plans

	March 31, 2020	December 31, 2019
RSU Plan - carrying value of liability recorded within trade payables and other	\$ 6,806	\$ 8,832
DSU Plan - carrying value of liability recorded within trade payables and other	5,148	6,257

Notes to Interim Condensed Consolidated Financial Statements March 31, 2020 and 2019 (Unaudited)

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

15. Earnings (Loss) per Share

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

For the three months ended March 31, 2019, 1,369,370 share options, 105,781 RSs (including common shares issued in escrow as part of the Equity Compensation Plan and Long-Term Equity Incentive Plan) were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

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

	Three months ended March 31, 2020	Three months ended March 31, 2019 ⁽¹⁾
Profit (loss) for the period from continuing operations - basic and diluted	\$ 1,757	\$ 456
Profit (loss) for the period from discontinued operations - basic and diluted	(5,436)	(891)
Profit (loss) for the period - basic and diluted	\$ (3,679)	\$ (435)
Weighted average number of common shares outstanding - basic	39,895,944	39,084,216
Dilutive effect of share options	374,482	71,755
Dilutive effect of equity awards and PSUs	379,842	45,860
Dilutive effect of RSs	219,073	141,761
Weighted average number of common shares outstanding - diluted	40,869,341	39,343,592
Earnings (loss) per share:		
Basic		
Continuing operations	\$0.04	\$0.01
Discontinued operations	\$(0.14)	\$(0.02)
Diluted		
Continuing operations	\$0.04	\$0.01
Discontinued operations	\$(0.13)	\$(0.02)

⁽¹⁾ Comparative figures have been restated to reflect discontinued operations (Notes 4 and 8).

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March 31, 2020 and 2019

(Unaudited)

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

16. Dividends Payable

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

17. Financial Instruments and Fair Values

Financial Instruments by Category

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

	March 31, 2020			December 31, 2019		
	Fair Value Through Profit or Loss	Fair Value Through Other Comprehensive Income	Amortized Cost	Fair Value Through Profit or Loss	Fair Value Through Other Comprehensive Income	Amortized Cost
Assets as per Consolidated Balance Sheet:						
Cash and cash equivalents	\$ -	\$ -	\$ 71,158	\$ -	\$ -	\$ 60,262
Trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments)	-	-	167,801	-	-	171,390
Investments in equity instruments	-	8,323	-	-	9,288	-
Investments in partnerships	2,619	-	-	2,193	-	-
Derivative financial instruments	5,851	-	-	7,424	-	-
Within assets held for sale (Note 8)	-	-	12,189	-	-	-
	\$ 8,470	\$ 8,323	\$ 251,148	\$ 9,617	\$ 9,288	\$ 231,652

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March 31, 2020 and 2019

(Unaudited)

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

17. Financial Instruments and Fair Values, cont'd

	March 31, 2020		December 31, 2019	
	Fair Value Through Profit or Loss	Amortized Cost	Fair Value Through Profit or Loss	Amortized Cost
Liabilities as per Consolidated Balance Sheet:				
Trade payables and other (excluding contract liabilities, RSU Plan and DSU Plan payables and contingent consideration payables)	\$ -	\$ 52,875	\$ -	\$ 81,686
Contingent consideration payables	6,532	-	7,667	-
Borrowings	-	175,479	-	138,263
Derivative financial instruments	19	-	-	-
Within liabilities directly associated with assets held for sale (Note 8)	-	3,468	-	-
	\$ 6,551	\$ 231,822	\$ 7,667	\$ 219,949

Fair Values

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

	March 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in equity instruments	\$ -	\$ -	\$ 8,323	\$ 8,323
Investments in partnerships	-	-	2,619	2,619
Derivative financial instruments	-	5,851	-	5,851
Liabilities:				
Borrowings	-	176,135	-	176,135
Contingent consideration payables	-	-	6,532	6,532
Derivative financial instruments	-	19	-	19

Notes to Interim Condensed Consolidated Financial Statements March 31, 2020 and 2019 (Unaudited)

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

17. Financial Instruments and Fair Values, cont'd

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in equity instruments	\$ -	\$ -	\$ 9,288	\$ 9,288
Investments in partnerships	-	-	2,193	2,193
Derivative financial instruments	-	7,424	-	7,424
Liabilities:				
Borrowings	-	138,403	-	138,403
Contingent consideration payables	-	-	7,667	7,667

For the three months ended March 31, 2020, there were no transfers between the levels in the hierarchy.

The following table summarizes the movement in the Company's contingent consideration payables:

	Contingent Consideration Payables (Discounted)
Balance as at January 1, 2020	\$ 7,667
Changes in expected payment recorded through profit or loss	(1,176)
Unwinding of discount (Note 6)	45
Settlements	(222)
Exchange differences	218
Balance as at March 31, 2020	\$ 6,532

A 1% increase or decrease in the discount rate could decrease or increase the Company's determination of fair value by approximately \$11 as at March 31, 2020.

The estimated contractual amount of contingent consideration payables as at March 31, 2020 was \$6,586 (December 31, 2019 - \$7,919), net of a discount of \$54 (December 31, 2019 - \$252).

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March 31, 2020 and 2019

(Unaudited)

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

17. Financial Instruments and Fair Values, cont'd

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

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

18. Commitments and Contingencies

As at March 31, 2020, the Company provided letters of credit of approximately \$1,051 to its lessors (December 31, 2019 - \$1,074).

The Company committed to aggregate capital contributions of \$593 (Note 10) to certain partnerships (December 31, 2019 - \$682).

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

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

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March 31, 2020 and 2019

(Unaudited)

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

19. Events After the Reporting Period

Long-Term Equity Incentive Plan revision

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

20. Comparative Information

Certain prior year amounts have been restated or re-presented for consistency with the current year presentation requirements under IFRS 5, *Assets Held for Sale and Discontinued Operations*, to re-present the comparative interim condensed consolidated statement of comprehensive income (loss) upon classification of the Geomatics business as a discontinued operation.



Altus Group

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Toronto Stock Exchange
Stock trading symbol: AIF

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