Altus Group

Shareholders' Report
Q3 2022

For the nine months ended September 30, 2022

Altus Group Limited

Shareholders' Report
September 30, 2022

Contents

Management's Discussion & Analysis
September 30, 2022

The following management's discussion and analysis ("MD&A") is intended to assist readers in understanding Altus Group Limited's consolidated business, its business environment, strategies, performance, outlook and applicable risks. References to the "Company" or "Altus Group" are to the consolidated group of entities, and this should be read in conjunction with our unaudited interim condensed consolidated financial statements and accompanying notes (the "interim financial statements") as at and for the three and nine months ended September 30, 2022, which have been prepared on the basis of International Financial Reporting Standards ("IFRS") and reported in Canadian dollars. Unless otherwise indicated herein, references to "$" are to Canadian dollars and percentages are in comparison to the same period in 2021.

Unless the context indicates otherwise, all references to "we", "us", "our" or similar terms refer to Altus Group, and, as appropriate, our consolidated operations.

This MD&A is dated as of November 10, 2022.

Forward-Looking Information

Certain information in this MD&A may constitute "forward-looking information" within the meaning of applicable securities legislation. All information contained in this MD&A, other than statements of current and historical fact, is forward-looking information. Forward-looking information includes, but is not limited to, the discussion of our business and operating initiatives, focuses and strategies, our expectations of future performance for our various business units and our consolidated financial results, including the guidance on financial expectations, and our expectations with respect to cash flows and liquidity. Generally, forward-looking information can be identified by use of words such as "may", "will", "expect", "believe", "plan", "would", "could", "remain" and other similar terminology. All of the forward-looking information in this MD&A is qualified by this cautionary statement.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that we identified and applied in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to: engagement and product pipeline opportunities in Altus Analytics will result in associated definitive agreements; continued adoption of cloud subscriptions by our customers; retention of material clients and bookings; sustaining our software and subscription renewals; settlement volumes in the Property Tax business occurring on a timely basis and assessment authorities processing appeals in a manner consistent with expectations; 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. Projections may also be impacted by macroeconomic factors, in addition to other factors not controllable by the Company. Altus Group has also made certain macroeconomic and general industry assumptions in the preparation of such forward-looking statements. Not all factors which affect the forward-looking information are known, and actual results may vary from the projected results in a material respect and may be above or below the forward-looking information presented in a material respect.

The COVID-19 pandemic has cast additional uncertainty on each of these factors and assumptions. There can be no assurance that they will continue to be valid. The duration, extent and severity of the impact the COVID-19 pandemic, including measures to prevent its spread, will have on our business is uncertain and difficult to predict at this time. As of the date of this MD&A, some of our offices and clients remain subject to limited COVID-19 restrictions, and a significant portion of our employees continue to work remotely.

Inherent in the forward-looking information are known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking information. Those risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information include, but are not limited to: the general state of the economy; the COVID-19 pandemic; our financial performance; our financial targets; the commercial real estate market; acquisitions; industry competition; business interruption events; third party information; cybersecurity; professional talent; our cloud subscriptions transition; software renewals; our sales pipeline; enterprise transactions; customer concentration and loss of material clients; product enhancements and new product introductions; technological strategy; intellectual property; property tax appeals and seasonality; legislative and regulatory changes; privacy and data protection; our brand and reputation; fixed-price and contingency engagements; the Canadian multi-residential market; currency fluctuations; interest rates; credit; income tax matters; health and safety hazards; our contractual obligations; legal proceedings; our insurance limits; our ability to meet the solvency requirements necessary to make dividend payments; our leverage and financial covenants; our share price; our capital investments; and the issuance of additional common shares and debt, as well as those described in our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2021 (which are available on SEDAR at www.sedar.com).

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

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

Non-GAAP and Other Measures

Non-GAAP Financial Measures

We use certain non-GAAP measures as indicators of financial performance. Readers are cautioned that they are not defined performance measures, and do not have any standardized meaning under IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to financial measures as reported by those entities. We believe that these measures which include non-GAAP financial measures and non-GAAP ratios as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"), may assist investors in assessing an investment in our shares as they provide additional insight into our performance. These non-GAAP measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS.

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

Adjusted EBITDA margin is a non-GAAP financial ratio which represents the percentage factor of Adjusted EBITDA to revenues. We use Adjusted EBITDA and Adjusted EBITDA margin to evaluate the performance of our business, as well as when making decisions about the ongoing operations of the business and our ability to generate cash flows. Refer to page 28 for a reconciliation of Adjusted EBITDA to our interim financial statements.

Adjusted Earnings (Loss) is a non-GAAP financial measure which represents profit (loss) adjusted for the effects of: profit (loss) from discontinued operations, occupancy costs calculated on a similar basis prior to the adoption of IFRS 16, depreciation of right-of-use assets, finance costs (income), net - leases, amortization of intangibles of acquired businesses, unrealized foreign exchange losses (gains), (gains) losses on disposal of right-of-use assets, property, plant and equipment and intangibles, non-cash share-based compensation costs, losses (gains) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged, interest accretion on contingent consideration payables, restructuring costs (recovery), losses (gains) on hedging transactions and interest expense (income) on swaps, acquisition and related transition costs (income), losses (gains) on investments, share of (profit) loss of joint venture, impairment charges, (gains) losses on derivatives, other costs or income of a non-operating and/or non-recurring nature, and the tax impact on these items. We use Adjusted Earnings (Loss) to facilitate the calculation of Adjusted Earnings (Loss) per Share ("Adjusted EPS"). Refer to page 29 for a reconciliation of Adjusted Earnings (Loss) to our interim financial statements.

Adjusted EPS is a non-GAAP financial ratio calculated by dividing the Adjusted Earnings (Loss) by the basic weighted average number of shares adjusted for the effects of the weighted average number of restricted shares. We use Adjusted EPS to assess the performance of our business before the effects of the noted items, because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Refer to page 29 for a reconciliation of Adjusted EPS to our interim financial statements.

Constant currency is a non-GAAP financial measure that allows for current financial and operational performance to be understood against comparative periods without the impact of fluctuations in foreign currency exchange rates against the Canadian dollar. The financial results and non-GAAP measures presented at constant currency within this document are obtained by translating monthly results denominated in local currency (US dollars, British pound, Euro, Australian dollars, and other foreign currencies) at the foreign exchange rates of the comparable month.

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

Other Measures

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

Bookings is a supplementary financial measure for the Altus Analytics business segment. We define Bookings as the annual contract value for new sales of our recurring offerings (software, Appraisal Management and data subscriptions) and the total contract value for one-time engagements (consulting, training and due diligence). The contract value of renewals is excluded from this metric, with the exception of additional capacity or products purchased at the time of renewal. *Organic Bookings* is a supplementary financial measure which represents Bookings, excluding Bookings from business acquisitions that are not fully integrated, prior to the first anniversary of the acquisition. *Recurring Bookings* is a supplementary financial measure which represents the total annual contract value of new sales of our recurring offerings. We use Bookings, Organic Bookings, and Recurring Bookings as measures to track the performance and success of our sales initiatives, and as an indicator of future revenue growth.

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

Over Time Revenues is a supplementary financial measure consistent with IFRS 15, *Revenue from Contracts with Customers*, for the Altus Analytics business segment. Our Over Time Revenues are comprised of software subscription revenues recognized on an over time basis in accordance with IFRS 15, software maintenance revenues associated with our legacy licenses sold on perpetual terms, Appraisal Management revenues, and data subscription revenues. For greater clarity, this measure does not include revenue from distinct on-premise licenses which is recognized upfront at the point in time when the software is delivered to the customer. *Organic Over Time* R*evenues* represents Over Time Revenues, excluding the Over Time Revenues from business acquisitions that are not fully integrated, prior to the first anniversary of the acquisition. We use Over Time Revenues and Organic Over Time Revenues as measures to assess revenue trends in our business, and as an indicator of future revenue growth.

ARGUS Enterprise ("AE") software maintenance retention rate is a supplementary financial measure calculated as a percentage of AE software maintenance revenue retained upon renewal; it represents the percentage of the available renewal opportunity in a fiscal period that renews, calculated on a dollar basis, excluding any growth in user count or product expansion. We use AE software maintenance retention rate as a measure to evaluate our success in retaining our AE software customers.

Cloud adoption rate is another measure that represents the percentage of the total AE user base contracted on the ARGUS Cloud platform. It includes both new AE cloud users as well as those who have migrated from our AE on-premise software. We use cloud adoption rate as a measure of our progress in transitioning the AE user base to our cloud-based platform, a key component of our overall product strategy.

Days Sales Outstanding ("DSO") is a supplementary financial measure which is calculated by taking the five-quarter average balance of trade receivables, net and unbilled revenue on customer contracts net of deferred revenue and the result is then divided by the trailing 12-month revenues plus any pre-acquisition revenues, as applicable, and multiplied by 365 days. Our method of calculating DSO may differ from the methods used by other issuers and, accordingly, may not be comparable to similar measures used by other issuers. We use DSO as a measure of our ability to convert our revenues into cash.

Overview of the Business

Altus Group provides the global commercial real estate ("CRE") industry with vital actionable intelligence solutions driven by our industry standard ARGUS technology, unparalleled asset level data, and industry expertise. Altus Group delivers Intelligence as a Service to empower CRE professionals to make well-informed decisions to maximize returns and reduce risk. Trusted by most of the world's largest CRE leaders, our solutions for the valuation, performance, and risk management of CRE assets are integrated into workflows critical to success across the CRE value chain. Founded in 2005, Altus Group is a global company with approximately 2,700 employees across North America, EMEA, and Asia Pacific.

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

Altus Analytics

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

Our Altus Analytics solutions are global with our flagship AE software currently utilized in over 100 countries. Our products have traditionally been sold as point solutions, primarily led by our ARGUS software and Appraisal Management offerings, which we bolstered with new software, data and analytics capabilities through acquisitions that collectively provide us with an end-to-end enterprise solution across various CRE asset investment and management workflows – both for equity and debt investments. Our focus this year has been on realigning the way we bring our solutions to market by combining our core software tools (ARGUS and Finance Active), data (Altus Data Studio and Reonomy), analytics (ARGUS ValueInsight with CRE fund benchmarking and attribution analysis tools and StratoDem Analytics) and advisory (Appraisal Management and One11 advisory) capabilities as offers. The offers package a number of our capabilities that we believe best suit our customers' needs and better address their pain points across the whole asset lifecycle.

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

Commercial Real Estate Consulting

Our CRE Consulting business segment includes professional services in the areas of property tax management, valuations, and cost advisory to help our clients maximize the value and returns of their CRE investments. Through our various practice areas, we are well-equipped to serve our clients across various stages of the CRE asset lifecycle: feasibility, development, acquisition, management and disposition. Our professionals possess extensive industry, market and asset-specific knowledge that contribute to our proprietary internal databases that help drive successful client outcomes. We have long-standing relationships with leading CRE market participants - including owner operators, developers, financial institutions, and various CRE asset holders and investors. Given the strength of our brand, our independence and quality of our work, we enjoy strong customer loyalty across all of our CRE Consulting practices.

Property tax is typically the largest operating expense in CRE property ownership after debt service, making it a key area of focus for our clients. Additionally, property tax obligations and processes vary significantly between jurisdictions requiring regional and asset specific expertise. We help clients proactively manage this cost and their complex appeal processes, striving to help them minimize the tax burden and reduce the cost of compliance. Our core real estate property tax services include assessment reviews, managing tax appeals, and in the U.S. we also provide personal property and state and local tax advisory services. The combination of our very specific expertise with our proprietary comprehensive databases and technology contribute to our long-standing track record of successful client outcomes. In Canada, our engagements are also supported by technology with an automated workflow communication model that provides clients with a dashboard view of their assets and property information, including property assessments, appeal status, and taxation information. Following the May 1, 2022 acquisition of Rethink Solutions Inc. ("Rethink Solutions"), we now also offer the itamlink property tax management software in North America, a solution that helps clients identify tax saving opportunities, manage tax payments and develop budgets and forecasting. The majority of our Property Tax revenues are derived on a contingency basis, representing a percentage of the savings we achieve for our clients. As such, we recognize contingency revenues when settlements are made, which in some cases could span multiple years. A smaller portion of our fees are based on a time and materials basis. As discussed under the "Summary of Quarterly Results" section on page 30, this business is subject to some seasonal and cyclical variations.

Our Valuation practice in Canada consists of appraisals of real estate portfolios, valuation of properties for transactional purposes, due diligence and litigation support, and economic consulting. Our Cost Advisory practice, offered in both the private and public sectors in Canada and Asia Pacific, provides expert services in the areas of construction feasibility studies, budgeting, cost and loan monitoring and project management. Pricing for our Valuation and Cost Advisory services is primarily based on a fixed fee or time and materials basis.

Strategy

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

Our global footprint and market leading solutions place us at the intersection of CRE transactions globally, uniquely positioning us to drive transformative industry innovation in a fragmented technology landscape.

We believe we have the industry's best view of global real estate and an established global platform that's trusted by the industry.

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

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

2022 Strategic Priorities:

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

1. Focus

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

- ***Network effect***: Driving global industry adoption of our ARGUS cloud platform remains a high priority and will be foundational to our Intelligence as a Service delivery model. ARGUS' global, mission critical and industry standard differentiation is amongst our most strategic competitive advantages that advances our position globally through its inherent network effect. We remain tactically focused on migrating our legacy on-premise software users to our cloud platform, as well as expanding our penetration with existing customers and adding new ones.

2. **Simplification**

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

- ***Value selling***: We are realigning our product offering structure pivoting from product-centric strategies and point solution selling to a more ubiquitous model that centers around our customers' unique priorities and with offers aligned to clear customer challenges that we can solve and create value. The combination of our data, technology and expertise that seamlessly delivers actionable intelligence provides for the most optimal way to drive client value while supporting our business strategies to profitably grow and scale. In 2022, our focus has been on updating the way we bring our solutions to market under offers. Each offer packages a number of our capabilities to best suit our customers' needs.

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

3. **Execution**

- ***One Altus***: Keeping pace with our growth and the many acquisitions made over the years, we are enhancing and unifying our internal systems. This includes upgrading our finance ERP system, optimizing CRM front office systems, and simplifying our solution architecture. This will simplify how we engage with our employees and customers and maximize our internal systems so that we can efficiently and effectively scale as we grow and enhance our productivity metrics.

- ***Talent strategy***: In support of our pursuit to become an international employer of choice, we are enhancing our talent management strategy to attract, motivate, reward and retain our talented people with a focus on embedding a culture of transformation, diversity, equity and inclusion. We are shifting our talent priorities to increase our capacity in line with our growth strategy and investing in our global human resources systems to better manage our talent pool, strengthen employee engagement and productivity, and create a best-in-industry employee experience with improved organizational cohesiveness.

Financial and Operating Highlights

Selected Financial Information	Three months ended September 30,		Nine months ended September 30,	
In thousands of dollars, except for per share amounts	**2022**	2021	**2022**	2021
Revenues	$ 177,691	$ 151,797	$ 551,689	$ 462,478
Canada	27%	28%	27%	30%
U.S.	49%	41%	44%	36%
Europe	19%	26%	25%	29%
Asia Pacific	5%	5%	4%	5%
Adjusted EBITDA (1)	$ 32,910	$ 24,415	$ 100,394	$ 83,894
Adjusted EBITDA margin (1)	18.5%	16.1%	18.2%	18.1%
Profit (loss)	$ 6,827	$ (295)	$ 7,870	$ 18,683
Earnings (loss) per share:				
Basic	$0.15	$(0.01)	$0.18	$0.46
Diluted	$0.15	$(0.01)	$0.17	$0.44
Adjusted (1)	$0.42	$0.39	$1.46	$1.48
Dividends declared per share	$0.15	$0.15	$0.45	$0.45

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

Financial Highlights

- **Revenues** were $177.7 million for the three months ended September 30, 2022, up 17.1% (18.1% on a constant currency basis*) or $25.9 million ($27.5 million on a constant currency basis), from $151.8 million in the same period in 2021. Organic Revenue* growth was 12.0% (13.2% on a constant currency basis) for the three months ended September 30, 2022. For the nine months ended September 30, 2022, revenues were $551.7 million, up 19.3% (20.4% on a constant currency basis) or $89.2 million ($94.4 million on a constant currency basis), from $462.5 million in the same period in 2021. Organic Revenue growth was 12.6% (13.8% on a constant currency basis) for the nine months ended September 30, 2022. Both the Altus Analytics and CRE Consulting segments were up year-over-year for the three and nine months ended September 30, 2022.

- **Adjusted EBITDA** was $32.9 million for the three months ended September 30, 2022, up 34.8% (33.6% on a constant currency basis) or $8.5 million ($8.2 million on a constant currency basis), from $24.4 million in the same period in 2021. For the nine months ended September 30, 2022, Adjusted EBITDA was $100.4 million, up 19.7% (20.9% on a constant currency basis) or $16.5 million ($17.5 million on a constant currency basis), from $83.9 million in the same period in 2021. Earnings continue to improve, driven by growth at both Altus Analytics and CRE Consulting for the three and nine months ended September 30, 2022.

- **Profit (loss)** for the three months ended September 30, 2022 was $6.8 million, up 2,414.2% or $7.1 million from $(0.3) million in the same period in 2021. For the nine months ended September 30, 2022, profit (loss) was $7.9 million, down 57.9% or $10.8 million from $18.7 million in the same period in 2021. In addition to the items affecting Adjusted EBITDA as discussed above, profit (loss) for the three and nine months ended September 30, 2022 was impacted by restructuring costs related to our 2022 global restructuring program, higher amortization of acquisition-related intangibles related to acquisitions, costs related to organizational and strategic initiatives, and losses on equity derivatives. This was partially offset by profit recognized from our GeoVerra Inc. ("GeoVerra") joint venture and unrealized gains due to foreign exchange. Profit (loss) for the three months ended September 30, 2022 also benefitted from lower acquisition and related transition costs for the integrations of previous acquisitions in the prior year which are largely complete.

- For the three months ended September 30, 2022, earnings (loss) per share was $0.15, basic and diluted, as compared to $(0.01), basic and diluted, in the same period in 2021. For the nine months ended September 30, 2022, earnings (loss) per share was $0.18, basic and $0.17, diluted, as compared to $0.46, basic and $0.44, diluted, in the same period in 2021.

- For the three months ended September 30, 2022, Adjusted EPS was $0.42, up 7.7% from $0.39 in the same period in 2021. For the nine months ended September 30, 2022, Adjusted EPS was $1.46, down 1.4% from $1.48 in the same period in 2021. Our Adjusted EPS was driven by our strong operational results for the three and nine months ended September 30, 2022 after the exclusion of items that affect comparability to earnings (loss) per share, most notably the amortization of intangibles of acquired businesses, restructuring costs and other non-operating and/or non-recurring costs, as we continue to transform our business. This growth in our Adjusted Earnings (Loss) was offset by the higher year-over-year weighted average number of shares outstanding used to calculate Adjusted EPS.

- We returned $6.8 million to shareholders in the quarter through quarterly dividends of $0.15 per common share.

- As at September 30, 2022, our bank debt was $324.0 million, representing a funded debt to EBITDA leverage ratio, as defined in our credit facility agreement, of 2.29 times (compared to 2.47 times as at December 31, 2021), well below our new maximum ratio of 4.50 times. As at September 30, 2022, cash and cash equivalents were $46.6 million (compared to $51.3 million as at December 31, 2021). This also represents a net debt to Adjusted EBITDA leverage ratio* of 2.20 times (compared to 2.17 times as at December 31, 2021).

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

Operating Highlights

Employee Share Purchase Plan

During the three months ended September 30, 2022, we established an Employee Share Purchase Plan ("ESPP"). Under the terms of this plan, employees may contribute up to 8% of their base salary or base hourly wages towards the purchase of our shares. For each eligible contribution, we contribute an additional 33% of the employees' contribution towards their purchase of our shares, up to an annual limit per employee each year. These shares will be purchased from the open market at the prevailing market price on the date of purchase.

Discussion of Operations

Three and Nine Months Ended September 30, 2022

In thousands of dollars	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Revenues	$ 177,691	$ 151,797	$ 551,689	$ 462,478
Expenses				
Employee compensation	114,486	99,274	349,934	294,121
Occupancy	1,945	1,922	5,465	5,818
Office and other operating	34,208	36,041	115,352	90,769
Depreciation of right-of-use assets	2,873	3,100	9,137	8,910
Depreciation and amortization	12,010	8,712	36,267	24,648
Acquisition and related transition costs (income)	439	1,032	4,721	8,112
Share of (profit) loss of joint venture	(1,082)	(927)	(2,227)	(442)
Restructuring costs (recovery)	8,045	32	21,895	253
(Gain) loss on investments	259	(1,336)	117	(1,839)
Finance costs (income), net - leases	490	552	1,450	1,704
Finance costs (income), net - other	(5,108)	1,297	(2,634)	2,808
Profit (loss) before income taxes	9,126	2,098	12,212	27,616
Income tax expense (recovery)	2,299	2,393	4,342	8,933
Profit (loss) for the period	$ 6,827	$ (295)	$ 7,870	$ 18,683

Revenues

Revenues were $177.7 million for the three months ended September 30, 2022, up 17.1% (18.1% on a constant currency basis) or $25.9 million ($27.5 million on a constant currency basis), from $151.8 million in the same period in 2021. Organic Revenue growth was 12.0% (13.2% on a constant currency basis) for the three months ended September 30, 2022. For the nine months ended September 30, 2022, revenues were $551.7 million, up 19.3% (20.4% on a constant currency basis) or $89.2 million ($94.4 million on a constant currency basis), from $462.5 million in the same period in 2021. Organic Revenue growth was 12.6% (13.8% on a constant currency basis) for the nine months ended September 30, 2022. For the three and nine months ended September 30, 2022, the revenue growth was driven by strong performance at both Altus Analytics and at CRE Consulting.

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 $114.5 million for the three months ended September 30, 2022, up 15.3% or $15.2 million from $99.3 million in the same period in 2021. For the nine months ended September 30, 2022, employee compensation was $349.9 million, up 19.0% or $55.8 million from $294.1 million in the same period in 2021. For the three and nine months ended September 30, 2022, the increase in compensation was mainly due to headcount additions within Altus Analytics, the acquisitions of Scryer, Inc. (d/b/a Reonomy) ("Reonomy") and Rethink Solutions, and expense related to the accounting treatment of common shares issued in connection with our acquisitions. For the three and nine months ended September 30, 2022, employee compensation as a percentage of revenues was 64.4% and 63.4%, as compared to 65.4% and 63.6% in the corresponding periods in 2021, 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 $1.9 million for the three months ended September 30, 2022, in line with the same period in 2021. For the nine months ended September 30, 2022, occupancy was $5.5 million, down 6.1% or $0.3 million from $5.8 million in the same period in 2021. Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 would have been $4.8 million and $14.6 million for the three and nine months ended September 30, 2022, as compared to $5.2 million and $15.4 million in the corresponding periods in 2021, respectively. The reduction in occupancy was primarily due to our ongoing efforts to rationalize our leased office space in certain markets to increase efficiency. For the three and nine months ended September 30, 2022, occupancy as a percentage of revenues was 1.1% and 1.0%, as compared to 1.3% and 1.3% in the corresponding periods in 2021, respectively. Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 as a percentage of revenues would have been 2.7% and 2.6% for the three and nine months ended September 30, 2022, as compared to 3.4% and 3.4% in the corresponding periods in 2021, respectively.

Office and Other Operating Costs

Office and 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). Office and other operating costs were $34.2 million for the three months ended September 30, 2022, down 5.1% or $1.8 million from $36.0 million in the same period in 2021. The decrease was primarily due to lower professional fees and costs incurred in 2021 related to the cybersecurity incident. For the nine months ended September 30, 2022, office and other operating costs were $115.4 million, up 27.1% or $24.6 million from $90.8 million in the same period in 2021 primarily due to acquisitions, professional fees for organizational and strategic advisory work, and increased Information Technology spend post the cybersecurity incident. For the three and nine months ended September 30, 2022, office and other operating costs as a percentage of revenues were 19.3% and 20.9%, as compared to 23.7% and 19.6% in the corresponding periods in 2021, 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 $2.9 million and $9.1 million for the three and nine months ended September 30, 2022, as compared to $3.1 million and $8.9 million in the corresponding periods in 2021, respectively. The increase for the nine months ended September 30, 2022 was primarily due to the acquisition of the Finance Active SAS ("Finance Active"), Reonomy, and Rethink Solutions office leases, with some benefits being realized for the three months ended September 30, 2022 related to our ongoing efforts to rationalize our leased office space.

Depreciation and Amortization

Depreciation and amortization represents the depreciation charge of our property, plant and equipment and amortization charge of our intangible assets, and were $12.0 million and $36.3 million for the three and nine months ended September 30, 2022, as compared to $8.7 million and $24.6 million in the corresponding periods in 2021, respectively. The increase was mainly due to the amortization of intangible assets related to acquisitions.

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 $0.4 million and $4.7 million for the three and nine months ended September 30, 2022, as compared to $1.0 million and $8.1 million in the corresponding periods in 2021, respectively. Costs incurred for the three and nine months ended September 30, 2022 were primarily related to the acquisition of Rethink Solutions and the ongoing integrations of Finance Active and Reonomy which are largely complete. Costs incurred for the three and nine months ended September 30, 2021 were related to the acquisitions of Finance Active, StratoDem Analytics and ArGil Property Tax Services Paralegal Professional Corporation.

Share of (Profit) Loss of Joint Venture

Share of (profit) loss of joint venture represents our share of the profit/loss in GeoVerra, and was $(1.1) million and $(2.2) million for the three and nine months ended September 30, 2022, as compared to $(0.9) million and $(0.4) million in the corresponding periods in 2021, 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. Restructuring costs (recovery) were $8.0 million and $21.9 million for the three and nine months ended September 30, 2022, as compared to $nil and $0.3 million in the corresponding periods in 2021, respectively. Costs of $12.0 million incurred in the nine months ended September 30, 2022 relate to our 2022 global restructuring program, which primarily included employee severance costs reflecting the synergies we're obtaining from acquisitions, efficiencies gained from investments in technology, and the ongoing evolution of our target operating models in support of our strategic initiatives. The remainder of the costs of approximately $9.9 million related to our ongoing efforts to rationalize our leased office space in certain markets. This has allowed us to offer our employees a flexible hybrid working model, increase efficiency and achieve synergies with our acquisitions. We expect this program to continue until the end of the year.

(Gain) Loss on Investments

(Gain) loss on investments represents the changes in the fair value of our investments in partnerships, and was $0.3 million and $0.1 million for the three and nine months ended September 30, 2022, as compared to $(1.3) million and $(1.8) million in the corresponding periods in 2021, respectively.

Finance Costs (Income), Net

In thousands of dollars	Three months ended September 30, 2022	2021	% Change	Nine months ended September 30, 2022	2021	% Change
Interest on borrowings	$ 3,739	$ 1,044	258.1%	$ 7,770	$ 2,505	210.2%
Interest on lease liabilities	490	552	(11.2%)	1,450	1,704	(14.9%)
Interest - other	25	266	(90.6%)	87	360	(75.8%)
Change in fair value of interest rate swaps	(8,748)	-	100.0%	(10,252)	-	100.0%
Finance income	(124)	(13)	853.8%	(239)	(57)	319.3%
Finance costs (income), net	$ (4,618)	$ 1,849	(349.8%)	$ (1,184)	$ 4,512	(126.2%)

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 three months ended September 30, 2022 was $(4.6) million, down 349.8% or $6.4 million from $1.8 million in the same period in 2021. For the nine months ended September 30, 2022, finance costs (income), net was $(1.2) million, down 126.2% or $5.7 million from $4.5 million in the same period in 2021. Our finance costs for the three and nine months ended September 30, 2022 decreased primarily due to the change in the fair value of our interest rate swaps from rising interest rates and lower interest costs on our leases, offset by higher interest costs on our bank credit facilities drawn for acquisitions.

Income Tax Expense (Recovery)

Income tax expense (recovery) for the three and nine months ended September 30, 2022 was $2.3 million and $4.3 million, as compared to $2.4 million and $8.9 million in the corresponding periods in 2021, respectively. 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 three and nine months ended September 30, 2022.

Profit (Loss)

Profit (loss) for the three months ended September 30, 2022 was $6.8 million and $0.15 per share, basic and diluted, as compared to $(0.3) million and $(0.01) per share, basic and diluted, in the same period in 2021. For the nine months ended September 30, 2022, profit (loss) was $7.9 million and $0.18 per share, basic and $0.17 per share, diluted, as compared to $18.7 million and $0.46 per share, basic and $0.44 per share, diluted, in the same period in 2021.

Revenues and Adjusted EBITDA by Business Unit

Revenues	Three months ended September 30,				Nine months ended September 30,			
In thousands of dollars	**2022**	2021	% Change	Constant Currency % Change	**2022**	2021	% Change	Constant Currency % Change
Altus Analytics	$ 87,599	$ 65,101	34.6%	34.8%	$ 250,042	$ 178,677	39.9%	40.1%
Commercial Real Estate Consulting	90,268	86,771	4.0%	5.7%	302,173	284,027	6.4%	8.1%
Intercompany eliminations	(176)	(75)	(134.7%)	(133.3%)	(526)	(226)	(132.7%)	(132.8%)
Total	$ 177,691	$ 151,797	17.1%	18.1%	$ 551,689	$ 462,478	19.3%	20.4%

Adjusted EBITDA	Three months ended September 30,				Nine months ended September 30,			
In thousands of dollars	**2022**	2021	% Change	Constant Currency % Change	**2022**	2021	% Change	Constant Currency % Change
Altus Analytics	$ 20,917	$ 11,728	78.4%	75.8%	$ 45,906	$ 30,869	48.7%	46.7%
Commercial Real Estate Consulting	21,862	22,478	(2.7%)	(1.8%)	84,642	79,886	6.0%	8.5%
Corporate	(9,869)	(9,791)	(0.8%)	(2.9%)	(30,154)	(26,861)	(12.3%)	(13.7%)
Total	$ 32,910	$ 24,415	34.8%	33.6%	$ 100,394	$ 83,894	19.7%	20.9%

Altus Analytics

In thousands of dollars	Three months ended September 30, 2022	2021	% Change	Constant Currency % Change	Nine months ended September 30, 2022	2021	% Change	Constant Currency % Change
Revenues	$ 87,599	$ 65,101	34.6%	34.8%	$ 250,042	$ 178,677	39.9%	40.1%
Adjusted EBITDA	$ 20,917	$ 11,728	78.4%	75.8%	$ 45,906	$ 30,869	48.7%	46.7%
Adjusted EBITDA margin	23.9%	18.0%			18.4%	17.3%		
Other Measures (1)								
Bookings	$ 26,865	$ 20,525	30.9%	27.9%	$ 78,367	$ 63,946	22.6%	21.5%
Over Time Revenues	$ 76,915	$ 55,093	39.6%	40.1%	$ 215,875	$ 148,004	45.9%	46.1%
AE software maintenance retention rate	97%	95%			96%	94%		
Geographical revenue split								
North America	76%	73%			77%	75%		
International	24%	27%			23%	25%		
Cloud adoption rate (as at end of period)					55%	29%		

(1) Altus Group uses certain supplementary financial and other measures such as Bookings, Organic Bookings, Over Time Revenues, AE software maintenance retention rate and cloud adoption rate. Since these measures are not standard measures under GAAP, they may not be comparable to similar measures reported by other entities. Refer to the "Non-GAAP and Other Measures" section for more information on each measure.

Quarterly Discussion

Revenues were $87.6 million for the three months ended September 30, 2022, up 34.6% (34.8% on a constant currency basis) or $22.5 million ($22.6 million on a constant currency basis), from $65.1 million in the same period in 2021. Organic Revenue growth was 24.5% (25.0% on a constant currency basis) whereas the acquisition of Reonomy represented 10.1% of the total 34.6% revenue growth. The impact from the purchase price accounting adjustment to Reonomy's deferred revenues was $0.3 million, or 0.4% to revenue growth.

Over Time Revenues were $76.9 million for the three months ended September 30, 2022, up 39.6% (40.1% on a constant currency basis) or $21.8 million ($22.1 million on a constant currency basis), from $55.1 million in the same period in 2021. On an organic basis, Over Time Revenues were up 27.7% (up 28.2% on a constant currency basis). We had strong performance across our key solutions with robust customer expansion as well as new customer additions. While the majority of our growth continues to come from North America, we also posted notable growth internationally, both in EMEA and APAC. Sequentially, Over Time Revenues grew 8.5% (7.7% on a constant currency basis), from $70.9 million in the second quarter of 2022.

Bookings in the three months ended September 30, 2022 increased by 30.9% year-over-year (27.9% on a constant currency basis) from $20.5 million to $26.9 million. Organic growth in Bookings was 23.0% (20.1%

on a constant currency basis) from the same period in 2021. Recurring Bookings[1] were up significantly, growing at 59.0% (54.5% on a constant currency basis). Bookings that relate to one-time engagements were down modestly.

Adjusted EBITDA was $20.9 million for the three months ended September 30, 2022, up 78.4% (75.8% on a constant currency basis) or $9.2 million ($8.9 million on a constant currency basis), from $11.7 million in the same period in 2021. Adjusted EBITDA margin also improved significantly by 590 basis points (540 basis points on a constant currency basis). Adjusted EBITDA growth and margin benefitted from higher revenues, improving operating efficiencies, ongoing cost optimization efforts, and foreign exchange fluctuations. The purchase price accounting adjustments had a 20 basis points impact to Adjusted EBITDA margin.

Year-to-Date Discussion

Revenues were $250.0 million for the nine months ended September 30, 2022, up 39.9% (40.1% on a constant currency basis) or $71.3 million ($71.7 million on a constant currency basis), from $178.7 million in the same period in 2021. Organic Revenue growth was 23.7% (23.9% on a constant currency basis) whereas the acquisitions of Finance Active, StratoDem Analytics and Reonomy represented 16.2% of the total 39.9% revenue growth. The impact from the purchase price accounting adjustment to Finance Active's and Reonomy's deferred revenues was $1.9 million, or 1.0% to revenue growth.

Over Time Revenues were $215.9 million for the nine months ended September 30, 2022, up 45.9% (46.1% on a constant currency basis) or $67.9 million ($68.2 million on a constant currency basis), from $148.0 million in the same period in 2021. On an organic basis, Over Time Revenues were up 27.0% (up 27.2% on a constant currency basis). Growth benefitted from strong performance across our key solutions, with strong customer expansion as well as new customer additions.

Bookings in the nine months ended September 30, 2022 increased by 22.6% year-over-year (21.5% on a constant currency basis) from $63.9 million to $78.4 million. Organic growth in Bookings was 10.8% (9.8% on a constant currency basis) from the same period in 2021. Recurring Bookings were up significantly, growing at 73.6% (70.7% on a constant currency basis).

Adjusted EBITDA was $45.9 million for the nine months ended September 30, 2022, up 48.7% (46.7% on a constant currency basis) or $15.0 million ($14.4 million on a constant currency basis), from $30.9 million in the same period in 2021. Adjusted EBITDA margin was 18.4%, up 110 basis points. Adjusted EBITDA growth and margin benefitted from higher revenues, improving operating efficiencies, ongoing cost optimization efforts, and foreign exchange fluctuations. The first half of the year was impacted by the results of Reonomy, purchase price accounting adjustments totaling $1.9 million to Finance Active's and Reonomy's deferred revenues, as well as higher investment related to accelerating our data strategy. The purchase price accounting adjustments had a 60 basis points impact to Adjusted EBITDA margin. Margins were also impacted by the impact of Reonomy which does not yet fully reflect the anticipated synergies that are expected to be achieved through the end of the year.

[1] Recurring Bookings is a supplementary financial measure. Since it is not a standard measure under GAAP, it may not be comparable to similar measures reported by other entities. Refer to the "Non-GAAP and Other Measures" section for more information on Recurring Bookings.

***Outlook*[2]**

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

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

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

The migration of on-premise AE users to cloud-based subscription contracts is ongoing, and we expect to make significant progress in 2022. We are targeting to finish the year in the low-to-mid-60s of our AE users contracted to the cloud. We continue to expect that the large majority of our AE users will be contracted to the cloud by the end of 2023. The enhancements to cloud-enabled AE 14, launched in late 2021, are expected to be an influential consideration for larger firms. Additionally, the end of support for AE 12.1 or older as of June 30, 2022 is expected to be another catalyst for the clients who are still on that version.

As supported by the acceleration of our growth rates and strong Bookings performance, we are on track to meet our aspirational long-term goal of achieving revenues of $400 million by the end of 2023. Our goal is to steadily improve our annual Adjusted EBITDA margins each year, driven by the anticipated long-term revenue growth, improving operating efficiencies from the execution of our 2022 strategic priorities, and balancing investments with disciplined expense management.

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[2] Refer to the "Forward-Looking Information" section on page 1 of this MD&A for further discussions of the risks and assumptions relating to this outlook.

Commercial Real Estate Consulting

	Three months ended September 30,				Nine months ended September 30,			
In thousands of dollars	**2022**	2021	% Change	Constant Currency % Change	**2022**	2021	% Change	Constant Currency % Change
Revenues								
Property Tax	$ 60,742	$ 58,488	3.9%	6.0%	$ 212,753	$ 199,851	6.5%	8.5%
Valuation and Cost Advisory	29,526	28,283	4.4%	5.2%	89,420	84,176	6.2%	7.1%
Revenues	$ 90,268	$ 86,771	4.0%	5.7%	$ 302,173	$ 284,027	6.4%	8.1%
Adjusted EBITDA								
Property Tax	$ 17,763	$ 18,596	(4.5%)	(3.5%)	$ 73,121	$ 69,394	5.4%	8.2%
Valuation and Cost Advisory	4,099	3,882	5.6%	6.6%	11,521	10,492	9.8%	10.6%
Adjusted EBITDA	$ 21,862	$ 22,478	(2.7%)	(1.8%)	$ 84,642	$ 79,886	6.0%	8.5%
Adjusted EBITDA margin	24.2%	25.9%			28.0%	28.1%		

Quarterly Discussion

Revenues were $90.3 million for the three months ended September 30, 2022, up 4.0% (5.7% on a constant currency basis) or $3.5 million ($5.0 million on a constant currency basis), from $86.8 million in the same period in 2021.

Property Tax revenues were $60.7 million, up 3.9% (6.0% on a constant currency basis), with most of the growth being organic. Both the U.S. and Canadian operations were up in the double-digits, offset by a decline in the U.K. which continues to be impacted by the slowed cadence of settlement volumes and foreign currency headwinds. Our U.K. pipeline of cases to be settled in upcoming quarters remains robust. Our Valuation and Cost Advisory businesses benefitted from moderate growth at both businesses, as well as a lower compare in the same quarter last year which included the impact of the cybersecurity incident.

Adjusted EBITDA was $21.9 million for the three months ended September 30, 2022, down 2.7% (1.8% on a constant currency basis) or $0.6 million ($0.4 million on a constant currency basis), from $22.5 million in the same period in 2021. The decline reflects lower Adjusted EBITDA contribution from Property Tax which is due to the contribution mix of our jurisdictions and a significant decline in the British pound.

Year-to-Date Discussion

Revenues were $302.2 million for the nine months ended September 30, 2022, up 6.4% (8.1% on a constant currency basis) or $18.2 million ($23.0 million on a constant currency basis), from $284.0 million in the same period in 2021.

Property Tax revenues were $212.8 million, up 6.5% (8.5% on a constant currency basis). The growth year to date is driven by strong performance in the U.S., moderate growth in Canada and a decline in the U.K. The U.S. has benefitted from a rebound in case settlements following the impact of COVID-19-related delays experienced last year, some seasonality in the second quarter, and higher valuations that created increased opportunities for bigger wins. Performance in Canada has been steady largely due to where certain markets fall in their cycles. In the U.K., constant currency growth has been offset by foreign currency headwinds and ongoing impact from the slowdown in settlement activity volumes. Our Valuation and Cost Advisory businesses were up year-over-year benefitting from moderate growth at both businesses, as well as a lower compare in the same period last year which included the impact of the cybersecurity incident.

Adjusted EBITDA was $84.6 million for the nine months ended September 30, 2022, up 6.0% (8.5% on a constant currency basis) or $4.7 million ($6.8 million on a constant currency basis), from $79.9 million in the same period in 2021. Earnings improved on increased revenues from our U.S. Property Tax and our Cost Advisory businesses.

***Outlook*[3]**

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

Consistent with the strong performance trends over the past couple of years, Property Tax remains well positioned to deliver another record revenue year and continued growth in Adjusted EBITDA in 2022 on a constant currency basis. Our full year outlook for 2022 is supported by a significant pipeline of cases to be settled in all three geographical markets, as well as a healthy backlog of new sales bookings achieved by our business development activities, and record annuity billings in the U.K. Given the seasonal and cyclical variations of the Property Tax business (as discussed in more detail on page 30 of this MD&A), we expect to experience typical quarterly variability in our financial performance, including the second quarter being our seasonally strongest quarter. As previously experienced, ongoing changes influenced by property tax assessment regulators and their appeal settlement processes are impacting some of these typical variations, and are causing some short-term disruption related to the anticipated timing of settlements.

2022 marks the final year of the extended Ontario and U.K. tax cycles, which also makes it the final year of the associated annuity billings in the U.K. for that cycle. As the new U.K. and Ontario cycles are expected to begin in 2023, the U.K. annuity billings will reset before they start to ramp up in 2024, and Ontario settlements will take time to accelerate as the front end of the cycle has historically been slower. As a result, 2023 revenues and Adjusted EBITDA are expected to be below 2022 levels as the anticipated growth from other markets is not expected to fully offset the financial impact of the cyclicality of our U.K. annuity billings.

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

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[3] Refer to the "Forward-Looking Information" section on page 1 of this MD&A for further discussions of the risks and assumptions relating to this outlook.

Corporate Costs

Quarterly Discussion

Corporate costs were $9.9 million for the three months ended September 30, 2022, as compared to $9.8 million in the same period in 2021.

Year-to-Date Discussion

Corporate costs were $30.2 million for the nine months ended September 30, 2022, as compared to $26.9 million in the same period in 2021. Corporate costs increased primarily due to higher expenditures in Information Technology, compensation, travel, professional fees, and costs related to organizational and strategic initiatives.

Liquidity and Capital Resources

Cash Flow	**Three months ended September 30,**		**Nine months ended September 30,**	
In thousands of dollars	**2022**	2021	**2022**	2021
Net cash related to operating activities	$ 24,167	$ 5,600	$ 49,620	$ 45,535
Net cash related to financing activities	(37,585)	(7,940)	(5,005)	106,529
Net cash related to investing activities	(6,969)	(5,993)	(46,701)	(153,637)
Effect of foreign currency translation	(97)	622	(2,545)	(1,696)
Change in cash position during the period	$ (20,484)	$ (7,711)	$ (4,631)	$ (3,269)
Dividends paid	$ 6,537	$ 5,368	$ 18,415	$ 15,971

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: significant erosion in the general state of the economy, prolonged impacts of the COVID-19 pandemic, or further unforeseen impacts of the cybersecurity incident. In 2022, we further amended and expanded our bank credit facilities to continue strengthening our liquidity position. For further details regarding the amendments, refer to the "Cash from Financing Activities" discussion below and Note 12 - Borrowings in the notes to the interim financial statements.

Cash from Operating Activities

Working Capital		
In thousands of dollars	**September 30, 2022**	December 31, 2021
Current assets	$ 289,073	$ 283,734
Current liabilities	222,024	209,931
Working capital	$ 67,049	$ 73,803

Current assets are composed primarily of cash and cash equivalents and trade receivables and other (including a $1.6 million related party receivable from our GeoVerra joint venture related mainly to the settlement of our initial contributions and other normal course transactions, which are related party transactions, as described in the notes to our annual financial statements for the year ended December 31, 2021). It also includes income taxes recoverable and derivative financial instruments for our equity hedges on RSUs and DSUs. The increase is primarily due to the generation of cash and cash equivalents and additional contract assets (unbilled revenue on customer contracts) from operations.

Current liabilities are composed primarily of trade payables and other, and lease liabilities. It also includes income taxes payable. The increase is primarily due to the increase in accrued expenses, contract liabilities (deferred revenue), and provisions related to our 2022 global restructuring program.

As at September 30, 2022, trade receivables, net and contract assets (unbilled revenue on customer contracts) net of contract liabilities (deferred revenue) was $128.6 million, up 2.2% or $2.8 million from $125.8 million as at December 31, 2021. As a percentage of the trailing 12-month revenues, trade receivables and unbilled revenue on customer contracts net of deferred revenue was 18.0% as at September 30, 2022, as compared to 19.2% as at December 31, 2021.

Our DSO was 65 days as at September 30, 2022, as compared to 72 days as at December 31, 2021, representing our ability to convert revenue into cash which has returned back to pre-COVID levels, in addition to our revenue mix continuing to increasingly shift to a subscription-based model under which our customers are billed on or in advance of the commencement of agreements.

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 September 30, 2022, the amounts owing to the vendors of acquired businesses were $8.0 million, as compared to $10.0 million as at December 31, 2021. We intend to satisfy the payments with cash on hand.

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

Changes in working capital affecting net cash generated by (used in) operations		
In thousands of dollars	**September 30, 2022**	September 30, 2021
Net changes in:		
Operating working capital	$ (11,468)	$ (28,946)
Liabilities for cash-settled share-based compensation	(10,538)	4,080
Deferred consideration payables	(3,644)	10,844
Contingent consideration payables	3,009	127
Net changes	$ (22,641)	$ (13,895)

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 movement in operating working capital was primarily driven by additional contract assets resulting from increased activity levels, offset by a decrease in our trade receivables due to improved cash 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 decrease in liabilities for cash-settled share-based compensation was primarily due to the decrease in the closing price of our common shares from $70.97 per share on December 31, 2021 to $44.78 per share on September 30, 2022. For further details regarding liabilities for cash-settled share-based compensation, refer to Note 15 - Share-based Compensation in the notes to the interim 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. The decrease in deferred consideration payables was due to the payment made in relation to our acquisition of Finance Active in April of 2021. 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. The movement in contingent consideration payables was primarily due to the recognition of a $3.0 million contingent consideration payable related to the acquisition of Rethink Solutions during the second quarter of 2022.

Cash from Financing Activities

Our revolving bank credit facilities are unsecured and 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. Most recently, on June 28, 2022, we further amended our bank credit facilities to increase our borrowing capacity from $400.0 million to $550.0 million, with certain provisions that allow us to further increase the limit to $650.0 million. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at our option.

As at September 30, 2022, our total borrowings on our bank credit facilities amounted to $324.0 million, an increase of $36.4 million from December 31, 2021, primarily to fund the acquisition of Rethink Solutions as well as working capital and operational requirements. We continue to pay down the total outstanding balance with cash flows generated from our operations.

Loans under the bank credit facilities bear interest at a floating rate, based on the Canadian Prime rates, Canadian Bankers' Acceptance rates, U.S. Base rates, or SONIA, SOFR, and €STR rates plus, in each case, an applicable margin to those rates. The applicable margin for Canadian Bankers' Acceptance and SONIA, SOFR, and €STR borrowings depends on a trailing four-quarter calculation of the funded debt to EBITDA ratio. The weighted average effective rate of interest for the three and nine months ended September 30, 2022 on our bank credit facilities was 4.25% and 3.05%, as compared to 1.54% and 1.46% in the corresponding periods in 2021, respectively. 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.

The bank credit facilities require us to comply with the following financial ratios:

- Maximum Funded Debt to EBITDA ratio: maximum of 4.50:1
- Minimum Interest Coverage ratio: minimum of 3.00:1

In addition, the Company and certain of its subsidiaries, collectively the guarantors, must account for at least 80% of consolidated revenues on a trailing 12-month basis. The bank credit facilities require repayment of the principal at such time as we receive proceeds of insurance, equity or debt issuances, or sale of assets in excess of certain thresholds. Letters of credit are also available on customary terms for bank credit facilities of this nature. 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, 2021 - $1.5 million).

As at September 30, 2022, we were in compliance with the financial covenants and other requirements of our amended bank credit facilities. The financial covenants are summarized below:

	September 30, 2022
Funded debt to EBITDA (maximum of 4.50:1)	2.29:1
Interest coverage (minimum of 3.00:1)	15.05:1

Other than long-term debt and letters of credit, we are subject to other contractual obligations, such as leases and amounts owing to the vendors of acquired businesses as discussed above.

Contractual Obligations [(1)]	**Payments Due by Period (undiscounted)**				
In thousands of dollars	**Total**	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years
Bank credit facilities	**$ 323,994**	$ -	$ -	$ 323,994	$ -
Lease obligations	**69,586**	16,717	26,227	15,501	11,141
Deferred consideration payables	**3,236**	1,618	1,618	-	-
Contingent consideration payables	**3,200**	3,000	200	-	-
Other liabilities	**176,890**	135,639	22,471	3,510	15,270
Total contractual obligations	**$ 576,906**	$ 156,974	$ 50,516	$ 343,005	$ 26,411

(1) Contractual obligations exclude aggregate unfunded capital contributions of $4.0 million to certain partnerships as the amount and timing of such payments are uncertain.

Cash from Investing Activities

We invest in property, plant and equipment and intangible assets to support the activities of the business. Capital expenditures for accounting purposes include property, plant and equipment in substance and in form, and intangible assets.

Capital expenditures are reconciled as follows:

Capital Expenditures	Three months ended September 30,		Nine months ended September 30,	
In thousands of dollars	**2022**	2021	**2022**	2021
Property, plant and equipment additions	$ 1,311	$ 1,644	$ 3,650	$ 3,374
Intangibles additions	5,503	941	12,545	3,208
Capital expenditures	$ 6,814	$ 2,585	$ 16,195	$ 6,582

We are making additional investments in 2022 to transform our internal systems across all of Altus Group for how we operate, collaborate and go-to-market which includes upgrading our finance back-office systems, optimizing CRM front offices systems, investing in our global human resources systems, and simplifying our solution architecture. These incremental investments will simplify how we engage with our employees and customers and maximize our internal systems to efficiently and effectively scale as we continue to grow and enhance our productivity metrics, and are being capitalized as intangibles.

Reconciliation of Adjusted EBITDA to Profit (Loss)

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

	Three months ended September 30,		Nine months ended September 30,	
In thousands of dollars	**2022**	2021	**2022**	2021
Adjusted EBITDA	$ 32,910	$ 24,415	$ 100,394	$ 83,894
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 [(1)]	2,868	3,294	9,088	9,722
Depreciation of right-of-use assets	(2,873)	(3,100)	(9,137)	(8,910)
Depreciation of property, plant and equipment and amortization of intangibles	(12,010)	(8,712)	(36,267)	(24,648)
Acquisition and related transition (costs) income	(439)	(1,032)	(4,721)	(8,112)
Unrealized foreign exchange gain (loss) [(2)]	1,740	(507)	2,033	(1,249)
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles [(2)]	(13)	5	-	248
Share of profit (loss) of joint venture	1,082	927	2,227	442
Non-cash share-based compensation costs [(3)]	(7,217)	(5,865)	(17,421)	(13,277)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged [(3)]	(150)	829	(4,371)	1,005
Restructuring (costs) recovery	(8,045)	(32)	(21,895)	(253)
Gain (loss) on investments [(4)]	(259)	1,336	(117)	1,839
Other non-operating and/or non-recurring income (costs) [(5)]	(3,086)	(7,611)	(8,785)	(8,573)
Earnings (loss) before finance costs and income taxes	4,508	3,947	11,028	32,128
Finance (costs) income, net - leases	(490)	(552)	(1,450)	(1,704)
Finance (costs) income, net - other	5,108	(1,297)	2,634	(2,808)
Profit (loss) before income taxes	9,126	2,098	12,212	27,616
Income tax (expense) recovery	(2,299)	(2,393)	(4,342)	(8,933)
Profit (loss) for the period	$ 6,827	$ (295)	$ 7,870	$ 18,683

(1) Management uses the non-GAAP occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 when analyzing financial and operating performance.
(2) Included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).
(3) Included in employee compensation expenses in the interim condensed consolidated statements of comprehensive income (loss).
(4) Gain (loss) on investments relates to changes in the fair value of investments in partnerships.
(5) Other non-operating and/or non-recurring income (costs) for the three and nine months ended September 30, 2022 relate to legal, advisory, and other consulting costs related to organizational and strategic initiatives, including those related to the transition of certain members of our leadership team. For the three and nine months ended September 30, 2021, other non-operating and/or non-recurring income (costs) relate to (i) costs relating to the June 13, 2021 cybersecurity incident net of insurance proceeds received or receivable, and (ii) transaction and other related costs. These are included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).

Reconciliation of Adjusted Earnings (Loss) Per Share to Profit (Loss)

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

	Three months ended September 30,		Nine months ended September 30,	
In thousands of dollars, except for per share amounts	**2022**	2021	**2022**	2021
Profit (loss) for the period	$ 6,827	$ (295)	$ 7,870	$ 18,683
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 [(1)]	(2,868)	(3,294)	(9,088)	(9,722)
Depreciation of right-of-use assets	2,873	3,100	9,137	8,910
Finance costs (income), net - leases	490	552	1,450	1,704
Amortization of intangibles of acquired businesses	9,682	7,293	29,688	20,781
Unrealized foreign exchange loss (gain)	(1,740)	507	(2,033)	1,249
Loss (gain) on disposal of right-of-use assets, property, plant and equipment and intangibles	13	(5)	-	(248)
Non-cash share-based compensation costs	7,217	5,865	17,421	13,277
Loss (gain) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged	150	(829)	4,371	(1,005)
Interest accretion on contingent consideration payables	-	-	6	-
Restructuring costs (recovery)	8,045	32	21,895	253
Loss (gain) on hedging transactions, including currency forward contracts and interest expense (income) on swaps	(8,748)	-	(10,252)	-
Acquisition and related transition costs (income)	439	1,032	4,721	8,112
Loss (gain) on investments	259	(1,336)	117	(1,839)
Share of loss (profit) of joint venture	(1,082)	(927)	(2,227)	(442)
Other non-operating and/or non-recurring costs (income)	3,086	7,611	8,785	8,573
Tax impact on above	(5,609)	(2,874)	(16,230)	(6,816)
Adjusted earnings (loss) for the period	$ 19,034	$ 16,432	$ 65,631	$ 61,470
Weighted average number of shares - basic	44,608,742	41,158,776	44,430,353	40,922,098
Weighted average number of restricted shares	629,728	652,544	645,763	546,363
Weighted average number of shares - adjusted	45,238,470	41,811,320	45,076,116	41,468,461
Adjusted earnings (loss) per share [(2)]	$0.42	$0.39	$1.46	$1.48

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

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

Summary of Quarterly Results

	2022			2021					2020	
In thousands of dollars, except for per share amounts	**Sep 30**	Jun 30	Mar 31	Fiscal 2021	Dec 31	Sep 30	Jun 30	Mar 31	Fiscal 2020	Dec 31
Results of Operations										
Revenues	$ 177,691	$ 206,414	$ 167,584	$ 625,387	$ 162,909	$ 151,797	$ 173,523	$ 137,158	$ 561,156	$ 139,480
Adjusted EBITDA	$ 32,910	$ 49,743	$ 17,741	$ 109,755	$ 25,861	$ 24,415	$ 42,239	$ 17,240	$ 98,928	$ 26,734
Adjusted EBITDA margin	18.5%	24.1%	10.6%	17.5%	15.9%	16.1%	24.3%	12.6%	17.6%	19.2%
Profit (loss) for the period from continuing operations	$ 6,827	$ 12,499	$ (11,456)	$ 25,573	$ 6,890	$ (295)	$ 16,341	$ 2,637	$ 27,009	$ 4,622
Profit (loss) for the period from discontinued operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (5,576)	$ (276)
Basic earnings (loss) per share:										
Continuing operations	$0.15	$0.28	$(0.26)	$0.62	$0.16	$(0.01)	$0.40	$0.07	$0.67	$0.11
Discontinued operations	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$(0.14)	$(0.01)
Diluted earnings (loss) per share:										
Continuing operations	$0.15	$0.28	$(0.26)	$0.60	$0.15	$(0.01)	$0.39	$0.06	$0.66	$0.11
Discontinued operations	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$(0.14)	$(0.01)
Adjusted earnings (loss) per share	$0.42	$0.77	$0.27	$1.90	$0.42	$0.39	$0.75	$0.34	$1.67	$0.44
Weighted average number shares ('000s):										
Basic	44,609	44,508	44,171	41,684	43,945	41,159	41,049	40,552	40,159	40,380
Diluted	45,382	45,179	44,171	42,899	45,269	41,159	42,116	41,642	41,209	41,532

Our global Property Tax practice (which made up approximately 34% of total consolidated revenues in Q3 2022) is subject to seasonal and cyclical variations which may impact overall quarterly results, which variations have been more pronounced from time to time during the COVID-19 pandemic. Significant fluctuations on a quarterly basis arise as a result of the timing of contingency settlements and other factors, such as the wide-ranging variety of tax cycles across our various jurisdictions (which range from annual to seven-year cycles). We also experience some seasonal peaks in the U.K. and U.S. markets. In the U.K., the second quarter benefits from annuity billing starting in the second year of a new cycle, and in the U.S., we tend to experience higher volumes of settlements in the second and third quarters. We perform annuity billing in the U.K. for a significant number of our contracts that occur each April starting in the second year of the cycle. The revenues from the annuity billings are expected to grow cumulatively over the cycle as more cases are settled and as the volume of billable clients increases concurrent with case settlements. It should also be noted that since a higher portion of our revenues come from contingency contracts, the front-end of a cycle typically requires a ramp-up period in preparation for the appeals and therefore tends to have lower earnings than later in the cycles when more settlements are made and those revenues flow directly to the bottom line.

Share Data

As at November 8, 2022, 44,696,830 common shares were outstanding and are net of 612,975 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 September 30, 2022, there were 2,410,777 share options outstanding (December 31, 2021 - 1,469,881 share options outstanding) at a weighted average exercise price of $44.47 per share (December 31, 2021 - $41.39 per share) and 663,535 share options were exercisable (December 31, 2021 - 454,286). 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 three and nine months ended September 30, 2022, 5,534 and 35,033 common shares, respectively (2021 - 15,951 and 47,978 common shares, respectively) were issued under the DRIP.

Financial Instruments and Other Instruments

Financial instruments held in the normal course of business included in our unaudited interim condensed consolidated balance sheet as at September 30, 2022 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 September 30, 2022 was approximately $17.6 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 $10.3 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 September 30, 2022, we have equity derivatives relating to RSUs and DSUs outstanding with a notional amount of $15.5 million. The net fair value of these derivatives is $7.9 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.

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 interim 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.

Changes in Significant Accounting Policies and Estimates

In March 2020, the World Health Organization declared COVID-19 a global pandemic. We continue to monitor the ongoing impact of the COVID-19 pandemic on our business, employees, customers, and suppliers. The continued spread of this contagious disease outbreak and related public health developments has adversely affected workforces, economies, and financial markets globally, leading to economic uncertainty and legislative and regulatory changes that have impacted our business and operations. The duration and magnitude of the impact of the outbreak and its potential adverse effects on our business or results of operations continue to be uncertain and will depend on future developments. Judgments made in the September 30, 2022 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 significant estimates and assumptions that could be impacted most by COVID-19 are the same as those described in our annual financial statements for the year ended December 31, 2021.

Adoption of Recent Accounting Pronouncements

Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract
In May 2020, the International Accounting Standards Board ("IASB") issued amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, to specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract and can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The new guidance is effective for annual periods beginning on or after January 1, 2022 and is applied to contracts that have unfulfilled obligations as at the beginning of that period. The amendment did not have a material impact on our interim financial statements.

Amendments to IFRS 3: Reference to the Conceptual Framework
In May 2020, the IASB issued amendments to IFRS 3, *Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace a reference to a previous version of the IASB's *Conceptual Framework* (1989) with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21, *Levies*, if incurred separately. The amendments also added a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The new guidance is effective for annual periods beginning on or after January 1, 2022 and is applied prospectively. The amendment did not have a material impact on our interim financial statements.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

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

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

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

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

Management has limited the scope of the design of DC&P and ICFR, consistent with previous practice, to exclude controls, policies and procedures of Reonomy acquired on November 12, 2021.

The financial information summarized below reflects the ongoing completion of integration activities of the business acquired where resources have been reallocated to other parts of Altus Group to achieve planned operational efficiencies.

Balance sheet data for Reonomy:

In thousands of dollars	**September 30, 2022**
Assets	$ 295,919
Liabilities	(11,150)
Equity	284,769

Income statement data for Reonomy:

In thousands of dollars	**Three months ended September 30, 2022**	**Nine months ended September 30, 2022**
Revenues	$ 6,560	$ 18,434
Expenses	(7,340)	(22,332)
Profit (loss)	(780)	(3,898)

There have been no significant changes in our internal controls over financial reporting that occurred for the quarter ended September 30, 2022, 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 interim financial statements as at and for the three and nine months ended September 30, 2022.

Additional Information

Additional information relating to Altus Group Limited, including our Annual Information Form, is available on SEDAR at www.sedar.com and on our corporate website at www.altusgroup.com under the Investors tab. Our common shares trade on the TSX under the symbol "AIF".

Altus Group Limited

Interim Condensed Consolidated Financial Statements
September 30, 2022 and 2021
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

Altus Group Limited

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
For the Three and Nine Months Ended September 30, 2022 and 2021
(Unaudited)

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

	Notes	Three months ended September 30 2022	Three months ended September 30 2021	Nine months ended September 30 2022	Nine months ended September 30 2021
Revenues	6	**$ 177,691**	$ 151,797	**$ 551,689**	$ 462,478
Expenses					
Employee compensation		**114,486**	99,274	**349,934**	294,121
Occupancy		**1,945**	1,922	**5,465**	5,818
Office and other operating		**34,208**	36,041	**115,352**	90,769
Depreciation of right-of-use assets		**2,873**	3,100	**9,137**	8,910
Depreciation of property, plant and equipment		**1,607**	1,419	**5,015**	3,867
Amortization of intangibles		**10,403**	7,293	**31,252**	20,781
Acquisition and related transition costs (income)		**439**	1,032	**4,721**	8,112
Share of (profit) loss of joint venture		**(1,082)**	(927)	**(2,227)**	(442)
Restructuring costs (recovery)	11	**8,045**	32	**21,895**	253
(Gain) loss on investments		**259**	(1,336)	**117**	(1,839)
Finance costs (income), net - leases	7	**490**	552	**1,450**	1,704
Finance costs (income), net - other	7	**(5,108)**	1,297	**(2,634)**	2,808
Profit (loss) before income taxes		**9,126**	2,098	**12,212**	27,616
Income tax expense (recovery)	8	**2,299**	2,393	**4,342**	8,933
Profit (loss) for the period		**$ 6,827**	$ (295)	**$ 7,870**	$ 18,683
Profit (loss) for the period attributable to:					
Non-controlling interest		**$ -**	$ -	**$ (3)**	$ -
Shareholders of the Company		**$ 6,827**	$ (295)	**$ 7,873**	$ 18,683
Other comprehensive income (loss):					
Items that may be reclassified to profit or loss in subsequent periods:					
Currency translation differences		**13,862**	4,717	**2,382**	(3,425)
Items that are not reclassified to profit or loss in subsequent periods:					
Changes in investments measured at fair value through other comprehensive income, net of tax		**2,138**	173	**(232)**	2,272
Other comprehensive income (loss), net of tax		**16,000**	4,890	**2,150**	(1,153)
Total comprehensive income (loss) for the period, net of tax		**$ 22,827**	$ 4,595	**$ 10,020**	$ 17,530
Comprehensive income (loss) for the period, net of tax, attributable to:					
Non-controlling interest		**$ -**	$ -	**$ (3)**	$ -
Shareholders of the Company		**$ 22,827**	$ 4,595	**$ 10,023**	$ 17,530
Earnings (loss) per share attributable to the shareholders of the Company during the period					
Basic earnings (loss) per share	16	**$0.15**	$(0.01)	**$0.18**	$0.46
Diluted earnings (loss) per share	16	**$0.15**	$(0.01)	**$0.17**	$0.44

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

Altus Group Limited

Interim Condensed Consolidated Balance Sheets
As at September 30, 2022 and December 31, 2021
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Notes	September 30, 2022	December 31, 2021
Assets			
Current assets			
Cash and cash equivalents		**$ 46,640**	$ 51,271
Trade receivables and other	9	**233,061**	223,315
Income taxes recoverable		**8,214**	3,280
Derivative financial instruments		**1,158**	5,868
Total current assets		**289,073**	283,734
Non-current assets			
Trade receivables and other	9	**6,874**	2,818
Derivative financial instruments		**17,043**	15,661
Investments	10	**21,761**	20,806
Investment in joint venture		**18,723**	16,496
Deferred tax assets		**28,064**	24,089
Right-of-use assets		**41,434**	59,992
Property, plant and equipment		**20,762**	21,624
Intangibles		**292,214**	286,670
Goodwill		**491,508**	467,310
Total non-current assets		**938,383**	915,466
Total Assets		**$ 1,227,456**	$ 1,199,200
Liabilities			
Current liabilities			
Trade payables and other	11	**$ 204,516**	$ 193,388
Income taxes payable		**2,482**	2,629
Lease liabilities		**15,026**	13,914
Total current liabilities		**222,024**	209,931
Non-current liabilities			
Trade payables and other	11	**21,258**	24,913
Lease liabilities		**49,212**	57,225
Borrowings	12	**321,919**	286,924
Deferred tax liabilities		**34,528**	27,864
Non-controlling interest		**-**	2,980
Total non-current liabilities		**426,917**	399,906
Total Liabilities		**648,941**	609,837
Shareholders' Equity			
Share capital	14	**739,534**	726,325
Contributed surplus		**28,361**	42,364
Accumulated other comprehensive income (loss)		**40,589**	38,439
Other equity		**-**	(244)
Retained earnings (deficit)		**(229,969)**	(217,406)
Equity attributable to the shareholders of the Company		**578,515**	589,478
Non-controlling interest		**-**	(115)
Total Shareholders' Equity		**578,515**	589,363
Total Liabilities and Shareholders' Equity		**$ 1,227,456**	$ 1,199,200

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

Commitments and Contingencies (Note 19)

Altus Group Limited

Interim Condensed Consolidated Statements of Changes in Equity
For the Nine Months Ended September 30, 2022 and 2021
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Notes	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Other Equity	Retained Earnings (Deficit)	Total	Non-controlling Interest	Total Shareholders' Equity
As at January 1, 2021		$ 529,866	$ 30,428	$ 40,791	$ -	$ (217,636)	$ 383,449	$ -	$ 383,449
Profit (loss) for the period		-	-	-	-	18,683	18,683	-	18,683
Other comprehensive income (loss), net of tax:									
Currency translation differences		-	-	(3,425)	-	-	(3,425)	-	(3,425)
Changes in investments measured at fair value through other comprehensive income		-	-	2,272	-	-	2,272	-	2,272
Total comprehensive income (loss) for the period		-	-	(1,153)	-	18,683	17,530	-	17,530
Transactions with owners:									
Dividends declared		-	-	-	-	(18,734)	(18,734)	-	(18,734)
Share-based compensation		-	16,596	-	-	-	16,596	-	16,596
Dividend Reinvestment Plan		2,600	-	-	-	-	2,600	-	2,600
Shares issued on exercise of options		14,094	(2,144)	-	-	-	11,950	-	11,950
Shares issued for share-based compensation		23,171	(2,585)	-	-	-	20,586	-	20,586
Treasury shares reserved for share-based compensation		(26,811)	-	-	-	-	(26,811)	-	(26,811)
Shares issued on acquisition		8,362	-	-	-	-	8,362	-	8,362
Release of treasury shares		4,963	(4,689)	-	-	-	274	-	274
Gain (loss) on sale of RSs and shares held in escrow		-	75	-	-	-	75	-	75
Total		26,379	7,253	-	-	(18,734)	14,898	-	14,898
As at September 30, 2021		$ 556,245	$ 37,681	$ 39,638	$ -	$ (217,687)	$ 415,877	$ -	$ 415,877
As at January 1, 2022		$ 726,325	$ 42,364	$ 38,439	$ (244)	$ (217,406)	$ 589,478	$ (115)	$ 589,363
Profit (loss) for the period		-	-	-	-	7,873	7,873	(3)	7,870
Other comprehensive income (loss), net of tax:									
Currency translation differences		-	-	2,382	-	-	2,382	-	2,382
Changes in investments measured at fair value through other comprehensive income		-	-	(232)	-	-	(232)	-	(232)
Total comprehensive income (loss) for the period		-	-	2,150	-	7,873	10,023	(3)	10,020
Change in fair value of non-controlling interest liability		-	-	-	258	-	258	-	258
Purchase of subsidiary shares from non-controlling interest	13	-	-	-	(14)	(104)	(118)	118	-
Share repurchase commitment under the automatic share purchase plan	14	-	(15,000)	-	-	-	(15,000)	-	(15,000)
Transactions with owners:									
Dividends declared	17	-	-	-	-	(20,332)	(20,332)	-	(20,332)
Share-based compensation	15	-	21,113	-	-	-	21,113	-	21,113
Dividend Reinvestment Plan	14	1,847	-	-	-	-	1,847	-	1,847
Shares issued on exercise of options	14, 15	4,605	(684)	-	-	-	3,921	-	3,921
Shares issued for share-based compensation	14, 15	11,364	(3,264)	-	-	-	8,100	-	8,100
Treasury shares reserved for share-based compensation	14, 15	(12,859)	-	-	-	-	(12,859)	-	(12,859)
Release of treasury shares	14, 15	18,408	(16,104)	-	-	-	2,304	-	2,304
Cancellation of shares	14	(10,156)	-	-	-	-	(10,156)	-	(10,156)
Gain (loss) on sale of RSs and shares held in escrow		-	(64)	-	-	-	(64)	-	(64)
Total		13,209	(14,003)	-	244	(20,436)	(20,986)	118	(20,868)
As at September 30, 2022		**$ 739,534**	**$ 28,361**	**$ 40,589**	**$ -**	**$ (229,969)**	**$ 578,515**	**$ -**	**$ 578,515**

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

Altus Group Limited

Interim Condensed Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2022 and 2021
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Notes	Nine months ended September 30 2022	2021
Cash flows from operating activities			
Profit (loss) before income taxes		**$ 12,212**	$ 27,616
Adjustments for:			
Depreciation of right-of-use assets		**9,137**	8,910
Depreciation of property, plant and equipment		**5,015**	3,867
Amortization of intangibles		**31,252**	20,781
Finance costs (income), net - leases	7	**1,450**	1,704
Finance costs (income), net - other	7	**(2,634)**	2,808
Share-based compensation	15	**21,113**	16,596
Unrealized foreign exchange (gain) loss		**(2,033)**	1,249
(Gain) loss on investments		**117**	(1,839)
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles		**-**	(248)
(Gain) loss on equity derivatives		**13,580**	(5,515)
Share of (profit) loss of joint venture		**(2,227)**	(442)
Impairment of right-of-use assets	11	**7,526**	-
Net changes in:			
Operating working capital		**(11,468)**	(28,946)
Liabilities for cash-settled share-based compensation		**(10,538)**	4,080
Deferred consideration payables		**(3,644)**	10,844
Contingent consideration payables		**3,009**	127
Net cash generated by (used in) operations		**71,867**	61,592
Less: interest paid on borrowings		**(7,279)**	(2,313)
Less: interest paid on leases		**(1,450)**	(1,704)
Less: income taxes paid		**(14,647)**	(14,834)
Add: income taxes refunded		**1,129**	2,794
Net cash provided by (used in) operating activities		**49,620**	45,535
Cash flows from financing activities			
Proceeds from exercise of options	14, 15	**3,921**	11,950
Financing fees paid		**(1,896)**	(136)
Proceeds from borrowings	12	**74,500**	148,113
Repayment of borrowings	12	**(39,935)**	(22,606)
Payments of principal on lease liabilities		**(10,505)**	(8,671)
Dividends paid	17	**(18,415)**	(15,971)
Treasury shares purchased for share-based compensation	14, 15	**(4,617)**	(6,150)
Cancellation of shares		**(8,058)**	-
Net cash provided by (used in) financing activities		**(5,005)**	106,529
Cash flows from investing activities			
Purchase of investments	10	**(675)**	(3,512)
Purchase of intangibles		**(12,545)**	(3,208)
Purchase of property, plant and equipment		**(3,650)**	(3,374)
Proceeds from investment	10	**22**	307
Acquisitions, net of cash acquired		**(29,853)**	(143,850)
Net cash provided by (used in) investing activities		**(46,701)**	(153,637)
Effect of foreign currency translation		**(2,545)**	(1,696)
Net increase (decrease) in cash and cash equivalents		**(4,631)**	(3,269)
Cash and cash equivalents, beginning of period		**51,271**	69,637
Cash and cash equivalents, end of period		**$ 46,640**	$ 66,368

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

1. Business and Structure

Altus Group Limited (the "Company") provides the global commercial real estate ("CRE") industry with vital actionable intelligence solutions driven by its ARGUS technology, asset level data, and industry expertise. The Company's solutions for the valuation, performance, and risk management of CRE assets are integrated into workflows critical to success across the CRE value chain. Founded in 2005, Altus Group Limited is a global company with approximately 2,700 employees across North America, EMEA, and Asia Pacific.

The Company conducts its business through two 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 September 30, 2022 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, 2021.

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, 2021.

These interim financial statements were approved by the Board of Directors for issue on November 10, 2022.

3. Changes in Significant Accounting Policies and Estimates

Adoption of Recent Accounting Pronouncements

Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract
In May 2020, the International Accounting Standards Board ("IASB") issued amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, to specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract and can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The new guidance is effective for annual periods beginning on or after January 1, 2022 and is applied to contracts that have unfulfilled obligations as at the beginning of that period. The amendment did not have a material impact on the interim financial statements.

Amendments to IFRS 3: Reference to the Conceptual Framework
In May 2020, the IASB issued amendments to IFRS 3, *Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace a reference to a previous version of the IASB's *Conceptual Framework* (1989) with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21, *Levies*, if incurred separately. The amendments also added a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The new guidance is effective for annual periods beginning on or after January 1, 2022 and is applied prospectively. The amendment did not have a material impact on the interim financial statements.

4. 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 to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the most recent annual financial statements.

4. Critical Accounting Estimates and Judgments, cont'd

In March 2020, the World Health Organization declared COVID-19 a global pandemic. The Company continues to monitor the ongoing impact of the COVID-19 pandemic on its business, employees, customers, and suppliers. The continued spread of this contagious disease outbreak and related public health developments has adversely affected workforces, economies, and financial markets globally, leading to economic uncertainty and legislative and regulatory changes that have impacted the Company's business and operations. The duration and magnitude of the impact of the outbreak and its potential adverse effects on the Company's business or results of operations continue to be uncertain and will depend on future developments. Judgments made in these interim financial statements reflect management's best estimates as of the period end, taking into consideration the most significant judgments that may be directly impacted by COVID-19. The significant estimates and assumptions that could be impacted most by COVID-19 are the same as those described in the most recent annual financial statements.

5. Acquisitions

Acquisition of Rethink Solutions Inc.

On May 1, 2022, the Company acquired all of the issued and outstanding shares of Rethink Solutions Inc. ("Rethink Solutions") for $40,641, subject to adjustments. On closing, the Company paid a total of $28,641 in cash, net of working capital adjustments, funded by drawing on its credit facilities. As part of the acquisition, the Company entered into non-competition and non-solicitation agreements with the selling shareholders. In addition, the Company issued 181,892 common shares, valued at $9,000 from treasury, to certain selling shareholders who are continuing as employees of Rethink Solutions following the acquisition. The common shares are held in escrow and will vest and be released subject to continued employment, compliance with certain terms and conditions, and certain performance targets being achieved over a three-year period beginning two months after the closing date. The purchase agreement also provides for contingent consideration of $3,000 subject to certain performance targets being achieved by the third anniversary of the closing date. Based in Canada, Rethink Solutions' team has integrated into the Company's Property Tax business.

For accounting purposes, the 181,892 common shares granted and subject to continued employment are held as treasury shares. As these common shares vest, the fair value of the award will be recognized as employee compensation expense with a corresponding amount recognized in contributed surplus. When these common shares are released, the amounts recognized in contributed surplus will be transferred to share capital within shareholders' equity.

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

5. Acquisitions, cont'd

The purchase price allocation, subject to finalization, is based on management's best estimate of fair value, and at the acquisition date is as follows:

		Rethink Solutions
Acquisition-related costs (included in acquisition and related transition costs (income) in the interim condensed consolidated statements of comprehensive income (loss))	$	1,035
Consideration:		
Cash (including working capital payable)	$	28,641
Common shares		9,000
Contingent consideration		3,000
Total consideration		40,641
Less: common shares subject to be recognized as employee compensation expense		(8,100)
Less: discount on shares		(900)
Consideration transferred for acquired business		31,641
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Cash and cash equivalents		1,590
Trade receivables and other		162
Property, plant and equipment		272
Right-of-use assets		399
Intangibles		19,600
Trade payables and other		(1,964)
Lease liabilities		(399)
Deferred taxes, net		(5,168)
Total identifiable net assets of acquired business		14,492
Goodwill	$	17,149
Goodwill and intangibles expected to be deductible for tax purposes	$	-

5. **Acquisitions,** cont'd

Goodwill arising from the acquisition relates to expected synergies with the existing businesses and the opportunities to strengthen and complement offerings with greater breadth and depth to both existing and acquired clients.

Intangibles acquired are as follows:

		Rethink Solutions
Finite-life assets		
Brands of acquired business	$	1,300
Customer lists		3,600
Custom application software		14,700
Total acquired intangibles	$	19,600

6. Segmented Information

The segmentation reflects the way the Chief Executive Officer ("CEO") allocates resources and assesses performance. The CEO considers the business from a core service perspective. The areas of core service are Altus Analytics and Commercial Real Estate Consulting. The CEO assesses the performance of the operating segments, as well as when making decisions about the ongoing operations of the business and the Company's ability to generate cash flows based on a measure of Adjusted EBITDA.

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

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

6. Segmented Information, cont'd

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

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
Adjusted EBITDA	**$ 32,910**	$ 24,415	**$ 100,394**	$ 83,894
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 [(1)]	**2,868**	3,294	**9,088**	9,722
Depreciation of right-of-use assets	**(2,873)**	(3,100)	**(9,137)**	(8,910)
Depreciation of property, plant and equipment and amortization of intangibles	**(12,010)**	(8,712)	**(36,267)**	(24,648)
Acquisition and related transition (costs) income	**(439)**	(1,032)	**(4,721)**	(8,112)
Unrealized foreign exchange gain (loss) [(2)]	**1,740**	(507)	**2,033**	(1,249)
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles [(2)]	**(13)**	5	**-**	248
Share of profit (loss) of joint venture	**1,082**	927	**2,227**	442
Non-cash share-based compensation costs [(3)]	**(7,217)**	(5,865)	**(17,421)**	(13,277)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged [(3)]	**(150)**	829	**(4,371)**	1,005
Restructuring (costs) recovery	**(8,045)**	(32)	**(21,895)**	(253)
Gain (loss) on investments [(4)]	**(259)**	1,336	**(117)**	1,839
Other non-operating and/or non-recurring income (costs) [(5)]	**(3,086)**	(7,611)	**(8,785)**	(8,573)
Earnings (loss) before finance costs and income taxes	**4,508**	3,947	**11,028**	32,128
Finance (costs) income, net - leases	**(490)**	(552)	**(1,450)**	(1,704)
Finance (costs) income, net - other	**5,108**	(1,297)	**2,634**	(2,808)
Profit (loss) before income taxes	**9,126**	2,098	**12,212**	27,616
Income tax (expense) recovery	**(2,299)**	(2,393)	**(4,342)**	(8,933)
Profit (loss) for the period	**$ 6,827**	$ (295)	**$ 7,870**	$ 18,683

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

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

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

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

(5) Other non-operating and/or non-recurring income (costs) for the three and nine months ended September 30, 2022 relate to legal, advisory, and other consulting costs related to organizational and strategic initiatives, including those related to the transition of certain members of the leadership team. For the three and nine months ended September 30, 2021, other non-operating and/or non-recurring income (costs) relate to (i) costs relating to the June 13, 2021 cybersecurity incident net of insurance proceeds received or receivable, and (ii) transaction and other related costs. These are included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).

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

6. Segmented Information, cont'd

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

Segment Revenues and Expenditures

							Three months ended September 30, 2022
	Altus Analytics	Commercial Real Estate Consulting			Corporate [1]	Eliminations	**Total**
		Property Tax	Valuation and Cost Advisory	Total			
Revenues from external customers	$ 87,376	$ 60,742	$ 29,573	$ 90,315	$ -	$ -	**$ 177,691**
Inter-segment revenues	223	-	(47)	(47)	-	(176)	**-**
Total segment revenues	87,599	60,742	29,526	90,268	-	(176)	**177,691**
Adjusted EBITDA	20,917	17,763	4,099	21,862	(9,869)	-	**32,910**
Depreciation of right-of-use assets	1,524	577	564	1,141	208	-	**2,873**
Depreciation of property, plant and equipment and amortization of intangibles	7,301	3,481	410	3,891	818	-	**12,010**
Finance costs (income), net - leases	94	113	84	197	199	-	**490**
Finance costs (income), net - other	-	-	-	-	(5,108)	-	**(5,108)**
Income tax expense (recovery)	-	-	-	-	2,299	-	**2,299**

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

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

6. Segmented Information, cont'd

	Three months ended September 30, 2021						
	Altus Analytics	Commercial Real Estate Consulting			Corporate [1]	Eliminations	Total
		Property Tax	Valuation and Cost Advisory	Total			
Revenues from external customers	$ 64,963	$ 58,488	$ 28,346	$ 86,834	$ -	$ -	$ 151,797
Inter-segment revenues	138	-	(63)	(63)	-	(75)	-
Total segment revenues	65,101	58,488	28,283	86,771	-	(75)	151,797
Adjusted EBITDA	11,728	18,596	3,882	22,478	(9,791)	-	24,415
Depreciation of right-of-use assets	1,592	747	610	1,357	151	-	3,100
Depreciation of property, plant and equipment and amortization of intangibles	4,803	3,319	371	3,690	219	-	8,712
Finance costs (income), net - leases	121	172	116	288	143	-	552
Finance costs (income), net - other	-	-	-	-	1,297	-	1,297
Income tax expense (recovery)	-	-	-	-	2,393	-	2,393

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

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

6. Segmented Information, cont'd

	Nine months ended September 30, 2022						
	Altus Analytics	Commercial Real Estate Consulting			Corporate [(1)]	Eliminations	**Total**
		Property Tax	Valuation and Cost Advisory	Total			
Revenues from external customers	$ 249,342	$ 212,753	$ 89,594	$ 302,347	$ -	$ -	**$ 551,689**
Inter-segment revenues	700	-	(174)	(174)	-	(526)	**-**
Total segment revenues	250,042	212,753	89,420	302,173	-	(526)	**551,689**
Adjusted EBITDA	45,906	73,121	11,521	84,642	(30,154)	-	**100,394**
Depreciation of right-of-use assets	4,869	1,808	1,773	3,581	687	-	**9,137**
Depreciation of property, plant and equipment and amortization of intangibles	23,095	10,284	1,201	11,485	1,687	-	**36,267**
Finance costs (income), net - leases	299	367	289	656	495	-	**1,450**
Finance costs (income), net - other	-	-	-	-	(2,634)	-	**(2,634)**
Income tax expense (recovery)	-	-	-	-	4,342	-	**4,342**

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

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

6. Segmented Information, cont'd

							Nine months ended September 30, 2021
	Altus Analytics	Commercial Real Estate Consulting			Corporate [1]	Eliminations	Total
		Property Tax	Valuation and Cost Advisory	Total			
Revenues from external customers	$ 178,314	$ 199,848	$ 84,316	$ 284,164	$ -	$ -	$ 462,478
Inter-segment revenues	363	3	(140)	(137)	-	(226)	-
Total segment revenues	178,677	199,851	84,176	284,027	-	(226)	462,478
Adjusted EBITDA	30,869	69,394	10,492	79,886	(26,861)	-	83,894
Depreciation of right-of-use assets	4,368	2,216	1,886	4,102	440	-	8,910
Depreciation of property, plant and equipment and amortization of intangibles	13,446	9,568	967	10,535	667	-	24,648
Finance costs (income), net - leases	366	513	374	887	451	-	1,704
Finance costs (income), net - other	-	-	-	-	2,808	-	2,808
Income tax expense (recovery)	-	-	-	-	8,933	-	8,933

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

7. Finance Costs (Income), Net

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
Interest on bank credit facilities	**$ 3,739**	$ 1,044	**$ 7,770**	$ 2,505
Interest on lease liabilities	**490**	552	**1,450**	1,704
Interest - other	**25**	266	**87**	360
Change in fair value of interest rate swaps (Note 18)	**(8,748)**	-	**(10,252)**	-
Finance costs	**(4,494)**	1,862	**(945)**	4,569
Finance income	**(124)**	(13)	**(239)**	(57)
Finance costs (income), net	**$ (4,618)**	$ 1,849	**$ (1,184)**	$ 4,512

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

8. Income Taxes

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
Income tax expense (recovery)				
Current	**$ 1,956**	$ 5,810	**$ 8,299**	$ 15,001
Deferred	**343**	(3,417)	**(3,957)**	(6,068)
Total income tax expense (recovery)	**$ 2,299**	$ 2,393	**$ 4,342**	$ 8,933

9. Trade Receivables and Other

	September 30, 2022	December 31, 2021
Trade receivables	**$ 154,218**	$ 171,268
Less: loss allowance provision	**(19,767)**	(19,913)
Trade receivables, net	**134,451**	151,355
Contract assets: unbilled revenue on customer contracts (1)	**71,405**	47,677
Deferred costs to obtain customer contracts	**4,489**	1,942
Prepayments	**21,549**	20,903
Due from related party (GeoVerra)	**1,574**	3,074
Other receivables	**6,467**	1,182
Total trade receivables and other	**239,935**	226,133
Less: non-current portion	**(6,874)**	(2,818)
Trade receivables and other - current	**$ 233,061**	$ 223,315

(1) As at September 30, 2022, contract assets are stated net of expected credit losses of $1,351 (December 31, 2021 - $787).

For the three and nine months ended September 30, 2022, amortization associated with deferred costs to obtain customer contracts of $728 and $2,497, respectively, was expensed to the interim condensed consolidated statements of comprehensive income (loss) (2021 - $731 and $1,733, respectively). For the three and nine months ended September 30, 2022 and 2021, no impairment losses on deferred costs were recognized.

10. Investments

	September 30, 2022	December 31, 2021
Investments in equity instruments	**$ 14,389**	$ 14,412
Investments in partnerships	**7,372**	6,394
Total investments	**$ 21,761**	$ 20,806

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

11. Trade Payables and Other

	September 30, 2022	December 31, 2021
Trade payables	$ **12,297**	$ 10,625
Accrued expenses	**115,642**	119,213
Contract liabilities: deferred revenue	**77,259**	73,255
Deferred consideration payables	**3,024**	6,668
Contingent consideration payables	**3,188**	179
Dividends payable (Note 17)	**6,794**	6,724
Provisions	**7,570**	1,551
Due to related party (GeoVerra)	**-**	86
Total trade payables and other	**225,774**	218,301
Less non-current portion:		
Accrued expenses	**15,915**	20,778
Contract liabilities: deferred revenue	**1,622**	208
Deferred consideration payables	**1,402**	3,462
Contingent consideration payables	**188**	179
Provisions	**2,131**	286
Trade payables and other - non-current	**21,258**	24,913
Trade payables and other - current	$ **204,516**	$ 193,388

Provisions consist of:

	Restructuring	Other	**Total**
Balance as at January 1, 2022	$ 1,371	$ 180	$ 1,551
Charged to profit or loss:			
Additional provisions, net of releases	21,895	-	21,895
Unwinding of discount	-	7	7
Used during the period	(16,062)	17	(16,045)
Exchange differences	170	(8)	162
Balance as at September 30, 2022	7,374	196	7,570
Less: non-current portion	(1,935)	(196)	(2,131)
Provisions - current	$ **5,439**	$ **-**	$ **5,439**

Restructuring

Beginning in 2022, the Company initiated a global restructuring program that resulted in restructuring costs of $21,895 for the nine months ended September 30, 2022, of which $7,526 related to the net impairment of right-of-use assets and gain (loss) on sublease, and the remainder primarily related to employee severance costs.

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

12. Borrowings

	September 30, 2022	December 31, 2021
Bank credit facilities	$ 323,994	$ 287,594
Less: deferred financing fees	(2,075)	(670)
Net borrowings	$ 321,919	$ 286,924

Amendments to bank credit facilities

On June 28, 2022, the Company amended its bank credit facilities to further strengthen its liquidity position by increasing the Company's borrowing capacity to $550,000 from $400,000 with certain provisions that allow the Company to further increase the limit to $650,000. The amended bank credit facilities also include an increase to the maximum funded debt to EBITDA financial covenant ratio from 4.0 to 4.5 with provisions that allow for a short-term increase up to 5.0 following certain business acquisitions, and are secured on certain assets of the Company. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at the Company's option.

As at September 30, 2022, the Company was in compliance with the financial covenants of the amended bank credit facilities, which are summarized below:

	September 30, 2022
Funded debt to EBITDA (maximum of 4.50:1)	2.29:1
Interest coverage (minimum of 3.00:1)	15.05:1

13. Non-controlling Interest

On May 3, 2022, the Company purchased the remaining 30% minority interest in Verifino GmbH & Co.KG and settled the non-controlling interest liability for $2,802 in cash. Prior to the transaction, a fair value loss of $258 was recorded through other equity. Upon settlement, the cumulative changes in the fair value of the non-controlling interest liability in other equity and the carrying amount of the non-controlling interest's share of equity were transferred to retained earnings (deficit).

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

14. 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 and rank equally with regard to the Company's residual assets. Holders of these shares are entitled to participate equally in dividends. Common shares issued and outstanding are as follows:

		Common Shares
	Number of Shares	Amount
Balance as at January 1, 2022	44,119,103	$ 726,325
Issued on exercise of options (Note 15)	129,450	4,605
Issued under the Dividend Reinvestment Plan	35,033	1,847
Issued for share-based compensation (Note 15)	492,883	11,364
Treasury shares reserved for share-based compensation (Note 15)	(241,725)	(12,859)
Release of treasury shares (Note 15)	335,898	18,408
Cancellation of shares	(188,638)	(10,156)
Balance as at September 30, 2022	**44,682,004**	**739,534**

The 44,682,004 common shares as at September 30, 2022 are net of 612,975 treasury shares with a carrying value of $37,224 that are held in escrow until vesting conditions are met (Note 15).

On June 29, 2022, the Company entered into an automatic share purchase plan ("ASPP") with a designated broker for the purpose of permitting the Company to purchase its common shares under the Normal Course Issuer Bid ("NCIB") announced on February 3, 2022, during self-imposed blackout periods. The NCIB allows the Company to purchase up to 1,345,142 common shares for cancellation. 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. As at September 30, 2022, an obligation to purchase a maximum of $15,000 common shares was recognized under the ASPP in trade payables and other, with an offset to contributed surplus.

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

15. Share-based Compensation

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

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

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

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

	Number of Options Outstanding	Weighted Average Exercise Price
Balance as at January 1, 2022	1,469,881	$41.39
Granted	1,196,833	$47.63
Exercised	(129,450)	$30.30
Expired/Forfeited	(126,487)	$53.18
Balance as at September 30, 2022	**2,410,777**	**$44.47**

Information about the Company's share options outstanding and exercisable as at September 30, 2022 is as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Exercisable
$25.56 - $29.72	238,335	1.15 years	165,625
$30.70 - $37.93	281,959	1.15 years	225,787
$43.38 - $52.84	1,653,327	3.95 years	221,204
$54.29 - $65.67	237,156	3.73 years	50,919
$44.47	**2,410,777**	**3.32 years**	**663,535**

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

15. 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:

	2022
Risk-free interest rate	1.58% - 3.36%
Expected dividend yield	1.1% - 1.4%
Expected volatility	29.38% - 31.42%
Expected option life	3.00 - 4.50 years
Exercise price	$43.38 - $54.29
Weighted average grant-date fair value per option	$8.61 - $13.54

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

	Number of common shares
Balance as at January 1, 2022	51,843
Settled	(47,886)
Balance as at September 30, 2022	**3,957**

The Company settled vested performance share units ("PSUs") under the Long-Term Equity Incentive Plan through the issuance of common shares:

	Number of common shares
Settled in March 2021	111,845
Settled in March 2022	310,991

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

	Number of PSUs
Granted in 2021	101,709
Granted in 2022	215,482

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

15. Share-based Compensation, cont'd

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

The following is a summary of the Company's Long-Term Incentive Restricted Share Plan ("LTIRS Plan") activity:

	Number of LTIRSs
Balance as at January 1, 2022 (all unvested)	20,327
Granted	9,697
Settled	(2,579)
Forfeited	(313)
Balance as at September 30, 2022 (all unvested)	**27,132**

In 2022, the Company granted a total value of $778 under the LTIRS Plan and purchased 9,697 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 Long-Term Incentive Restricted Share Unit Plan ("LTIRSU Plan") activity:

	Number of LTIRSUs
Balance as at January 1, 2022 (all unvested)	53,152
Granted	47,718
Settled	(4,026)
Forfeited	(4,112)
Balance as at September 30, 2022 (all unvested)	**92,732**

(iii) Deferred Compensation Plans

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

	Number of RSs
Balance as at January 1, 2022 (all unvested)	179,980
Granted	50,136
Settled	(109,805)
Forfeited	(1,686)
Balance as at September 30, 2022 (all unvested)	**118,625**

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

15. Share-based Compensation, cont'd

In connection with the 2021 performance year, the Company granted a total value of $3,981 under the RS Plan. In March 2022, the Company purchased 50,136 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, 2022 (all unvested)	259,691
Granted	129,270
Settled	(137,945)
Forfeited	(8,699)
Balance as at September 30, 2022 (all unvested)	**242,317**

(iv) Deferred Share Unit Plans

The following is a summary of the Company's deferred share unit plans ("DSU Plans") activity:

	Number of DSUs
Balance as at January 1, 2022	195,001
Granted	18,095
Forfeited	(25,703)
Balance as at September 30, 2022	**187,393**

(v) Other Share-Based Awards

The following is a summary of the activity related to common shares held in escrow and subject to continued employment related to the Company's acquisition of Property Tax Assistance Company Inc., Finance Active SAS, StratoDem Analytics, LLC, ArGil Property Tax Services Paralegal Professional Corporation, Scryer, Inc. (d/b/a Reonomy), and Rethink Solutions Inc.:

	Number of common shares
Balance as at January 1, 2022	454,997
Granted	181,892
Settled	(140,391)
Forfeited	(33,238)
Balance as at September 30, 2022	**463,260**

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

15. Share-based Compensation, cont'd

(vi) Compensation Expense by Plan

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
Equity Compensation Plan	**$ -**	$ 145	**$ 85**	$ 524
Long-Term Equity Incentive Plan	**4,101**	1,832	**7,476**	5,135
LTIRS Plan	**313**	222	**704**	390
LTIRSU Plan [1]	**369**	249	**705**	442
RS Plan	**906**	964	**2,988**	2,928
RSU Plan [2]	**1,707**	2,143	**(322)**	5,571
DSU Plans [3]	**477**	955	**(3,255)**	3,148
Other share-based awards	**3,116**	3,889	**9,860**	7,618

(1) For the three and nine months ended September 30, 2022, the Company recorded mark-to-market adjustments of $(39) and $(435), respectively (2021 - $21 and $23, respectively).

(2) For the three and nine months ended September 30, 2022, the Company recorded mark-to-market adjustments of $115 and $(4,324), respectively (2021 - $891 and $3,158, respectively).

(3) For the three and nine months ended September 30, 2022, the Company recorded mark-to-market adjustments of $133 and $(4,213), respectively (2021 - $536 and $1,897, respectively).

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

	September 30, 2022	December 31, 2021
LTIRSU Plan	**$ 1,281**	$ 781
RSU Plan	**7,705**	14,729
DSU Plans	**8,624**	12,638

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

(viii) Employee Share Purchase Plan

During the three months ended September 30, 2022, the Company established an Employee Share Purchase Plan ("ESPP"). Under the terms of this plan, employees may contribute up to 8% of their base salary or base hourly wages towards the purchase of the Company's shares. For each eligible contribution, the Company contributes an additional 33% of the employees' contribution towards their purchase of the Company's shares, up to an annual limit per employee each year. These shares will be purchased from the open market at the prevailing market price on the date of purchase.

During the three months ended September 30, 2022, the Company's contributions to this plan were $90 and are recorded in employee compensation expense.

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

16. Earnings (Loss) per Share

For the three and nine months ended September 30, 2022, 1,445,297 share options, 12,619 restricted shares ("RSs") (including common shares issued in escrow as part of the LTIRS Plan), and 76,035 and 76,132 PSUs, respectively, were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

For the three months ended September 30, 2021, 1,532,961 share options and 675,820 RSs (including common shares issued in escrow as part of the LTIRS Plan), and 441,851 PSUs were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive. For the nine months ended September 30, 2021, 218,350 share options and 19,487 restricted shares (including common shares issued in escrow as part of the LTIRS Plan) were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

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 September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
Profit (loss) for the period attributable to Shareholders of the Company - basic and diluted	**$ 6,827**	$ (295)	**$ 7,873**	$ 18,683
Weighted average number of common shares outstanding - basic	**44,608,742**	41,158,776	**44,430,353**	40,922,098
Dilutive effect of share options	**238,507**	-	**246,620**	426,438
Dilutive effect of equity awards and PSUs	**252,139**	-	**256,000**	339,177
Dilutive effect of RSs	**282,864**	-	**369,292**	297,720
Weighted average number of common shares outstanding - diluted	**45,382,252**	41,158,776	**45,302,265**	41,985,433
Earnings (loss) per share:				
Basic	**$0.15**	$(0.01)	**$0.18**	$0.46
Diluted	**$0.15**	$(0.01)	**$0.17**	$0.44

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

17. 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.

18. Financial Instruments and Fair Values

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

Financial Instruments by Category

The Company classifies its financial assets as fair value through profit or loss ("FVPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost. The tables below indicate the carrying values of financial assets and liabilities for each of the following categories:

	September 30, 2022			December 31, 2021		
	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Assets as per Consolidated Balance Sheet:						
Cash and cash equivalents	**$ -**	**$ -**	**$ 46,640**	$ -	$ -	$ 51,271
Trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments)	**-**	**-**	**213,897**	-	-	203,288
Investments in equity instruments	**-**	**14,389**	**-**	-	14,412	-
Investments in partnerships	**7,372**	**-**	**-**	6,394	-	-
Derivative financial instruments	**18,201**	**-**	**-**	21,529	-	-
Total	**$ 25,573**	**$ 14,389**	**$ 260,537**	$ 27,923	$ 14,412	$ 254,559

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

18. Financial Instruments and Fair Values, cont'd

	September 30, 2022		December 31, 2021	
	FVPL	Amortized Cost	FVPL	Amortized Cost
Liabilities as per Consolidated Balance Sheet:				
Trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables, deferred consideration payables, and contingent consideration payables)	**$ -**	**$ 124,693**	$ -	$ 110,051
Deferred consideration payables	**3,024**	**-**	6,668	-
Contingent consideration payables	**3,188**	**-**	179	-
Borrowings	**-**	**321,919**	-	286,924
Total	**$ 6,212**	**$ 446,612**	$ 6,847	$ 396,975

Fair Values

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

				September 30, 2022
	Level 1	Level 2	Level 3	**Total**
Assets:				
Investments in equity instruments	$ 2,881	$ 2,224	$ 9,283	**$ 14,389**
Investments in partnerships	-	-	7,372	**7,372**
Derivative financial instruments	-	18,201	-	**18,201**
Liabilities:				
Borrowings	-	323,994	-	**323,994**
Deferred consideration payables	-	3,024	-	**3,024**
Contingent consideration payables	-	-	3,188	**3,188**

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

18. Financial Instruments and Fair Values, cont'd

				December 31, 2021
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in equity instruments	$ 4,303	$ -	$ 10,109	$ 14,412
Investments in partnerships	-	-	6,394	6,394
Derivative financial instruments	-	21,529	-	21,529
Liabilities:				
Borrowings	-	287,594	-	287,594
Deferred consideration payables	-	6,668	-	6,668
Contingent consideration payables	-	-	179	179

For the three and nine months ended September 30, 2022, there was a transfer within investments in equity instruments from Level 3 to Level 2 in the hierarchy due to the incorporation of a quoted sale price obtained during the quarter.

On April 29, 2022, the Company entered into interest rate swap agreements for a total notional amount of GBP57,000. The Company is obligated to pay the counterparty to the swap agreements an amount based upon a fixed interest rate of 2.07% per annum, and the counterparty is obligated to pay the Company an amount equal to the GBP - SONIA. These agreements expire on April 13, 2027. These interest rate swaps are not designated as cash flow hedges.

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

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

19. Commitments and Contingencies

As at September 30, 2022, the Company provided letters of credit of approximately $1,520 to its lessors (December 31, 2021 - $1,485).

19. Commitments and Contingencies, cont'd

As at September 30, 2022, the Company has committed to aggregate capital contributions of $4,046 (Note 10) to certain partnerships (December 31, 2021 - $4,847).

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.

Altus Group

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Toronto Stock Exchange
Stock trading symbol: AIF

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