

Altus Reports Second Quarter 2022 Financial Results

Altus Delivers 19% Revenue and 18% Adjusted EBITDA Growth

TORONTO (August 11, 2022) - Altus Group Limited ("Altus" or "the Company") (TSX: AIF), a market leading Intelligence as a Service provider to the global commercial real estate ("CRE") industry, announced today its financial and operating results for the second quarter ended June 30, 2022.

Q2 2022 Summary:

Unless otherwise indicated, all amounts are unaudited and in Canadian dollars and percentages are in comparison to the same period in 2021.

- Consolidated revenues were \$206.4 million, up 19.0% (19.9% on a constant currency* basis).
- Consolidated profit, in accordance with IFRS, was \$12.5 million, down 23.5%.
- Consolidated earnings per share, in accordance with IFRS, was \$0.28 per share basic and diluted, compared to \$0.40 and \$0.39 respectively.
- Consolidated Adjusted EBITDA* was \$49.7 million, up 17.8% (20.3% on a constant currency basis).
- Adjusted EPS* was \$0.77, up 2.7% from \$0.75.
- Altus Analytics revenues were \$82.1 million, up 38.4% (37.0% on a constant currency basis), of which Over Time Revenues* were \$70.9 million, up 41.5% (40.6% on a constant currency basis), and Adjusted EBITDA was \$13.8 million, up 54.1% (49.0% on a constant currency basis).
- Altus Analytics Bookings* totaled \$23.5 million, up 6.0% (5.1% on a constant currency basis). Bookings that are recurring in nature were up significantly. Bookings that relate to one-time engagements were down, due to a number of sizeable one-time projects that closed in the second quarter of 2021 that did not recur.
- At the end of the second quarter, 52% of the Company's total ARGUS Enterprise ("AE") user base had been contracted on ARGUS Cloud (cloud adoption rate*).
- CRE Consulting revenues were \$124.5 million, up 8.9% (11.1% on a constant currency basis) and Adjusted EBITDA was \$46.6 million, up 9.8% (13.7% on a constant currency basis). The annuity billings in the U.K. Property Tax business contributed \$33.2 million in revenues (compared to \$25.7 million in the second quarter of 2021).
- As at June 30, 2022, bank debt was \$345.0 million and cash and cash equivalents were \$67.1 million (representing a funded debt to Adjusted EBITDA leverage ratio of 2.63 times, as such ratio is defined in the Company's credit facility agreement, or a net debt to Adjusted EBITDA leverage ratio* of 2.37 times).

**Altus Group uses certain non-GAAP financial measures such as Adjusted EBITDA, Adjusted EPS, constant currency, and net debt to Adjusted EBITDA leverage ratio, as well as supplementary financial measures and other measures such as Bookings, Organic Bookings, Over Time Revenues, 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 and a reconciliation of Adjusted EBITDA to Profit (Loss) and Adjusted Earnings (Loss) per Share to Profit (Loss).*



Jim Hannon, Chief Executive Officer of Altus said:

“Altus delivered another strong quarter with 19% revenue and 18% Adjusted EBITDA growth. We saw continued healthy demand for our mission critical solutions from a mix of existing and new customers as they look to enhance performance and better manage risk in the current economic environment. Our second quarter results reflect the focused investments we’ve made across the organization to accelerate growth and enhance our operating performance. Our track record of operational execution over the past several quarters, combined with healthy customer demand, reinforces our positive outlook for the remainder of the year. With our unrelenting focus on client value and operational excellence, Altus remains very well positioned to drive long-term revenue growth and margin expansion.”

Summary of Operating and Financial Performance by Business Segment:

Comparative figures have been restated to reflect accrued variable compensation costs within the respective business units.

CONSOLIDATED <i>In thousands of dollars</i>	Three months ended June 30,			Six months ended June 30,		
	2022	2021	% Change	2022	2021	% Change
Revenues	\$ 206,414	\$ 173,523	19.0%	\$ 373,998	\$ 310,681	20.4%
Adjusted EBITDA	\$ 49,743	\$ 42,239	17.8%	\$ 67,484	\$ 59,479	13.5%
Adjusted EBITDA Margin	24.1%	24.3%		18.0%	19.1%	
Profit (loss) from continuing operations	\$ 12,499	\$ 16,341	-23.5%	\$ 1,043	\$ 18,978	-94.5%
Earnings (loss) per share from continuing operations:						
Basic	\$0.28	\$0.40		\$0.02	\$0.47	
Diluted	\$0.28	\$0.39		\$0.02	\$0.45	
Adjusted	\$0.77	\$0.75		\$1.04	\$1.09	
Dividends declared per share	\$0.15	\$0.15		\$0.30	\$0.30	

Altus Analytics <i>In thousands of dollars</i>	Three months ended June 30,				Six months ended June 30,			
	2022	2021	% Change	Constant Currency % Change	2022	2021	% Change	Constant Currency % Change
Revenues	\$ 82,133	\$ 59,336	38.4%	37.0%	\$ 162,443	\$ 113,576	43.0%	43.2%
Adjusted EBITDA	\$ 13,758	\$ 8,929	54.1%	49.0%	\$ 24,989	\$ 19,141	30.6%	28.8%
Adjusted EBITDA Margin	16.8%	15.0%			15.4%	16.9%		
Selected Metrics								
Bookings	\$ 23,453	\$ 22,123	6.0%	5.1%	\$ 51,502	\$ 43,421	18.6%	18.5%
Over Time Revenues	\$ 70,912	\$ 50,123	41.5%	40.6%	\$ 138,960	\$ 92,911	49.6%	49.6%
AE software maintenance retention rate	95%	94%			95%	94%		
Geographical revenue split								
North America	78%	72%			77%	76%		
International	22%	28%			23%	24%		
Cloud adoption rate (as at end of period)					52%	26%		



CRE Consulting	Three months ended June 30,				Six months ended June 30,				
	In thousands of dollars	2022	2021	% Change	Constant Currency % Change	2022	2021	% Change	Constant Currency % Change
Revenues									
Property Tax	\$ 93,543	\$ 86,693	7.9%	10.5%	\$ 152,011	\$ 141,363	7.5%	9.5%	
Valuation and Cost Advisory	30,913	27,570	12.1%	12.9%	59,894	55,893	7.2%	8.1%	
Revenues	\$ 124,456	\$ 114,263	8.9%	11.1%	\$ 211,905	\$ 197,256	7.4%	9.1%	
Adjusted EBITDA									
Property Tax	\$ 42,051	\$ 39,684	6.0%	10.0%	\$ 55,358	\$ 50,798	9.0%	12.5%	
Valuation and Cost Advisory	4,508	2,718	65.9%	67.0%	7,422	6,610	12.3%	12.9%	
Adjusted EBITDA	\$ 46,559	\$ 42,402	9.8%	13.7%	\$ 62,780	\$ 57,408	9.4%	12.5%	
Adjusted EBITDA Margin	37.4%	37.1%			29.6%	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.

Q2 2022 Review

On a consolidated basis, revenues were \$206.4 million, up 19.0% (19.9% on a constant currency basis) and Adjusted EBITDA was \$49.7 million, up 17.8% (20.3% on a constant currency basis). Organic revenue growth was 14.9% (15.8% on a constant currency basis). Adjusted EPS was \$0.77, up 2.7% from \$0.75 in the second quarter of 2021.

Consolidated profit, in accordance with IFRS, was \$12.5 million, down 23.5% from \$16.3 million the same period in 2021. Despite the higher Adjusted EBITDA, profit was impacted by restructuring costs related to the 2022 global restructuring program, higher amortization of acquisition-related intangibles related to acquisitions, acquisition and related transition costs related to the acquisition of Rethink Solutions Inc., costs related to organizational and strategic initiatives, and losses on equity derivatives. This was partially offset by profit recognized from the Company's GeoVerra joint venture and unrealized gains due to foreign exchange.

Altus Analytics revenues increased to \$82.1 million, up 38.4% (37.0% on a constant currency basis). Organic revenue growth was up 27.7% (26.3% on a constant currency basis). The acquisitions of StratoDem Analytics and Reonomy represented 10.7% of the total 38.4% revenue growth. Adjusted EBITDA was \$13.8 million, up 54.1% (49.0% on a constant currency basis).

- Over Time Revenues were \$70.9 million, up 41.5% (40.6% on a constant currency basis). On an organic basis, Over Time Revenues were up 28.8% (up 27.9% on a constant currency basis). Sequentially, Over Time Revenues grew 4.2% (4.5% on a constant currency basis) from \$68.0 million in the first quarter of 2022. Over Time Revenues benefitted from strong double-digit growth across all the key solutions, with robust customer expansion as well as new customer additions. While the majority of growth continues to come from North America, Altus Analytics also posted notable growth internationally, both in EMEA and APAC.



- Bookings in the second quarter were \$23.5 million, up 6.0% (5.1% on a constant currency basis). Bookings that are recurring in nature were up significantly. Bookings that relate to one-time engagements were down, due to a number of sizeable one-time projects that closed in the second quarter of 2021 that did not recur. As a result, growth in Organic Bookings* was negative 1.5% (negative 2.4% on a constant currency basis).
- As at the end of the second quarter, 52% of Company's total AE user base had been contracted on ARGUS Cloud, compared to 44% at the end of the first quarter of 2022.
- Adjusted EBITDA growth benefitted from higher revenues, improving operating efficiencies and ongoing cost optimization efforts. Additionally, the purchase price accounting adjustments to Reonomy's deferred revenues negatively impacted Adjusted EBITDA by \$0.5 million and had a 0.5% impact to Adjusted EBITDA margin. While gradually improving, Reonomy's Adjusted EBITDA performance continues to impact margins, which are expected to improve in the second half of the year as more of the anticipated synergies are achieved.

CRE Consulting revenues increased to \$124.5 million, up 8.9% (11.1% on a constant currency basis) and Adjusted EBITDA increased to \$46.6 million, up 9.8% (13.7% on a constant currency basis).

- Property Tax revenues were \$93.5 million, up 7.9% (10.5% on a constant currency basis) and Adjusted EBITDA was \$42.1 million, up 6.0% (10.0% on a constant currency basis). The annuity billings in the U.K. were a significant contributor in the quarter, representing \$33.2 million in revenues (compared to \$25.7 million in the second quarter of 2021), the increase reflecting a higher cumulative number of the 2017 cycle cases settled. Most of the growth was organic.
- Property Tax revenue growth was driven by strong performance in the U.S. benefitting from increased seasonal case settlements and higher valuations that created increased opportunities for bigger wins. In Canada, revenue performance was largely consistent with the second quarter of 2021; declines in Western Canada were offset by stable performance in Ontario and modest growth in Eastern Canada, reflecting timing of certain market cycles. In the U.K., revenue growth was modest, impacted by foreign currency headwinds that overshadowed the double-digit constant currency growth. The U.K. continues to be impacted by the ongoing a slowdown in settlement activity volumes, however Altus' pipeline of cases to be settled in upcoming quarters remains robust.
- Valuation and Cost Advisory revenues were \$30.9 million, up 12.1% (12.9% on a constant currency basis) and Adjusted EBITDA was \$4.5 million, up 65.9% (67.0% on a constant currency basis), 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.

Corporate Costs were \$10.6 million, compared to \$9.1 million in the same period in 2021. Corporate costs increased primarily due to higher expenditures in Information Technology, professional fees, and costs related to organizational and strategic initiatives.

Beginning in the first quarter of 2022, Altus initiated a global restructuring program which resulted in additional restructuring costs of \$5.5 million in the second quarter. The majority of the restructuring costs relate to employee severance costs reflecting the synergies Altus Group is realizing from recent acquisitions, efficiencies gained from



investments in technology, and the ongoing evolution of the Company's target operating models in support of its strategic initiatives. The Company expects this program to continue throughout the year.

Balance Sheet Update

As at June 30, 2022, bank debt was \$345.0 million and cash and cash equivalents were \$67.1 million (representing a funded debt to Adjusted EBITDA leverage ratio of 2.63 times, as such ratio is defined in the Company's credit facility agreement, or a net debt to Adjusted EBITDA leverage ratio* of 2.37 times).

During the quarter, the Company amended its bank credit facilities to further strengthen its financial and liquidity position by increasing its borrowing capacity to \$550.0 million from \$400.0 million with certain provisions that allow Altus to further increase the limit to \$650.0 million. The amended bank 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 with certain of the Company's assets. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at the Company's option.

CFO Transition

The Company also announces that after nearly 15 years at Altus, Angelo Bartolini will be stepping down as its Chief Financial Officer to take some personal time to spend with family and to explore life interests outside of the finance realm. While the Company engages in a comprehensive search process for his successor, Mr. Bartolini will remain in his role until the end of the year or until his successor is named and successfully transitioned.

"During his nearly 15-year tenure at Altus, Angelo has steered the Company through a remarkable period of growth and transformation," said Jim Hannon. "His many lasting contributions have positioned Altus for continued success, elevated our finance function, and have been central to our strengthened strategic position. On behalf of the Board of Directors, the Company and its many stakeholders, I would like to thank Angelo for his long-standing leadership and immense contributions to our success throughout his very distinguished career at Altus."

"I am incredibly proud of all that we accomplished over the years, though firmly believe Altus' best days are still ahead," added Angelo Bartolini. "Our platform for growth and operational excellence has never been stronger, making this the right time to transition to the next chapter in my life."

Q2 2022 Results Conference Call & Webcast

Date:	Thursday, August 11, 2022
Time:	5:00 p.m. (ET)
Webcast:	altusgroup.com (under Investor Relations)
Live Call:	1-800-319-4610 (toll-free North America) or 416-915-3239 (Toronto area)
Replay:	available via webcast at altusgroup.com



About Altus Group

Altus Group provides the global commercial real estate industry with vital actionable intelligence solutions driven by our de facto standard ARGUS technology, unparalleled asset level data, and market leading expertise. A market leader in providing Intelligence as a Service, Altus Group empowers CRE professionals to make well-informed decisions with greater speed and scale 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 2,650 employees across North America, EMEA and Asia Pacific. For more information about Altus (TSX: AIF) please visit altusgroup.com.

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, are not generally accepted financial measures nor 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). Refer to the below for a reconciliation of Adjusted EBITDA to profit (loss).

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.

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").

Adjusted EPS is a non-GAAP financial ratio calculated by dividing 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 the below for a reconciliation of Adjusted EPS to profit (loss).

Constant currency is a non-GAAP financial measure that presents the financial results and non-GAAP measures within this press release 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. We adjust for currency so that our financial and operational performance can be viewed without the impact of fluctuations in foreign currency exchange rates against the Canadian dollar, thereby facilitating period-to-period comparisons of the Company's business performance.

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 ("ACV") for new sales of our recurring offerings (software, Appraisal Management solutions and data subscriptions) and the total contract value ("TCV") 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. We use Bookings and Organic 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 Revenues** 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.

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.

Forward-Looking Information

Certain information in this press release may constitute "forward-looking information" within the meaning of applicable securities legislation. All information contained in this press release, other than statements of current and historical fact, is forward-looking information. Forward-looking information includes, but is not limited to, 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. 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 press release 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. Projections may also be impacted by macroeconomic factors, in addition to other factors not controllable by the Company. Altus 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. Given the rapid pace of change with respect to the COVID-19 pandemic, it is difficult to make further assumptions about these matters. 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 press release, many of our offices and clients remain subject to limitations and restrictions set to reduce the spread of COVID-19, 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 and Management’s Discussion and Analysis 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 press release and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus, our financial or operating results, or our securities.

FOR FURTHER INFORMATION PLEASE CONTACT:

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

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

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Revenues	\$ 206,414	\$ 173,523	\$ 373,998	\$ 310,681
Expenses				
Employee compensation	118,481	101,627	235,448	194,847
Occupancy	1,748	2,026	3,520	3,896
Office and other operating	45,061	31,031	81,144	54,728
Depreciation of right-of-use assets	3,060	3,042	6,264	5,810
Depreciation of property, plant and equipment	1,814	1,193	3,408	2,448
Amortization of intangibles	10,164	7,971	20,849	13,488
Acquisition and related transition costs (income)	2,421	1,898	4,282	7,080
Share of (profit) loss of joint venture	(539)	96	(1,145)	485
Restructuring costs (recovery)	5,494	270	13,850	221
(Gain) loss on investments	24	(315)	(142)	(503)
Finance costs (income), net - leases	463	582	960	1,152
Finance costs (income), net - other	995	933	2,474	1,511
Profit (loss) before income taxes	17,228	23,169	3,086	25,518
Income tax expense (recovery)	4,729	6,828	2,043	6,540
Profit (loss) for the period	\$ 12,499	\$ 16,341	\$ 1,043	\$ 18,978
Profit (loss) for the period attributable to:				
Non-controlling interest	(65)	-	(3)	-
Shareholders of the Company	12,564	16,341	1,046	18,978
	\$ 12,499	\$ 16,341	\$ 1,043	\$ 18,978
Other comprehensive income (loss):				
Items that may be reclassified to profit or loss in subsequent periods:				
Currency translation differences	(2,126)	(3,633)	(11,480)	(8,142)
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	(1,508)	2,357	(2,370)	2,099
Other comprehensive income (loss), net of tax	(3,634)	(1,276)	(13,850)	(6,043)
Total comprehensive income (loss) for the period, net of tax	\$ 8,865	\$ 15,065	\$ (12,807)	\$ 12,935
Comprehensive income (loss) for the period, net of tax, attributable to:				
Non-controlling interest	(65)	-	(3)	-
Shareholders of the Company	8,930	15,065	(12,804)	12,935
	\$ 8,865	\$ 15,065	\$ (12,807)	\$ 12,935
Earnings (loss) per share attributable to the shareholders of the Company during the period				
Basic earnings (loss) per share	\$0.28	\$0.40	\$0.02	\$0.47
Diluted earnings (loss) per share	\$0.28	\$0.39	\$0.02	\$0.45



Interim Condensed Consolidated Balance Sheets

As at June 30, 2022 and December 31, 2021

(Unaudited)

(Expressed in Thousands of Canadian Dollars)

	June 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 67,124	\$ 51,271
Trade receivables and other	236,711	223,315
Income taxes recoverable	5,790	3,280
Derivative financial instruments	1,339	5,868
	310,964	283,734
Non-current assets		
Trade receivables and other	4,384	2,818
Derivative financial instruments	8,069	15,661
Investments	18,393	20,806
Investment in joint venture	17,641	16,496
Deferred tax assets	27,477	24,089
Right-of-use assets	48,158	59,992
Property, plant and equipment	20,666	21,624
Intangibles	287,404	286,670
Goodwill	477,607	467,310
	909,799	915,466
Total Assets	\$ 1,220,763	\$ 1,199,200
Liabilities		
Current liabilities		
Trade payables and other	\$ 203,233	\$ 193,388
Income taxes payable	1,392	2,629
Lease liabilities	13,285	13,914
	217,910	209,931
Non-current liabilities		
Trade payables and other	24,149	24,913
Lease liabilities	51,401	57,225
Borrowings	342,860	286,924
Deferred tax liabilities	32,338	27,864
Non-controlling interest	-	2,980
	450,748	399,906
Total Liabilities	668,658	609,837
Shareholders' Equity		
Share capital	734,566	726,325
Contributed surplus	22,951	42,364
Accumulated other comprehensive income (loss)	24,589	38,439
Other equity	-	(244)
Retained earnings (deficit)	(230,001)	(217,406)
Equity attributable to the shareholders of the Company	552,105	589,478
Non-controlling interest	-	(115)
Total Shareholders' Equity	552,105	589,363
Total Liabilities and Shareholders' Equity	\$ 1,220,763	\$ 1,199,200



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

	Six months ended June 30	
	2022	2021
Cash flows from operating activities		
Profit (loss) before income taxes	\$ 3,086	\$ 25,518
Adjustments for:		
Depreciation of right-of-use assets	6,264	5,810
Depreciation of property, plant and equipment	3,408	2,448
Amortization of intangibles	20,849	13,488
Finance costs (income), net - leases	960	1,152
Finance costs (income), net - other	2,474	1,511
Share-based compensation	12,677	9,543
Unrealized foreign exchange (gain) loss	(293)	742
(Gain) loss on investments	(142)	(503)
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles	(13)	(243)
(Gain) loss on equity derivatives	13,625	(3,743)
Share of (profit) loss of joint venture	(1,145)	485
Impairment of right-of-use assets	4,260	-
Net changes in:		
Operating working capital	(12,596)	(24,024)
Liabilities for cash-settled share-based compensation	(11,909)	2,754
Deferred consideration payables	(3,642)	8,691
Contingent consideration payables	3,009	(47)
Net cash generated by (used in) operations	40,872	43,582
Less: interest paid on borrowings	(3,758)	(1,334)
Less: interest paid on leases	(960)	(1,152)
Less: income taxes paid	(10,806)	(3,706)
Add: income taxes refunded	105	2,545
Net cash provided by (used in) operating activities	25,453	39,935
Cash flows from financing activities		
Proceeds from exercise of options	2,167	9,361
Financing fees paid	(1,776)	-
Proceeds from borrowings	74,500	141,113
Repayment of borrowings	(10,712)	(13,933)
Payments of principal on lease liabilities	(7,107)	(5,486)
Dividends paid	(11,878)	(10,603)
Treasury shares purchased for share-based compensation	(4,613)	(5,983)
Cancellation of shares	(8,001)	-
Net cash provided by (used in) financing activities	32,580	114,469
Cash flows from investing activities		
Purchase of investments	(503)	(3,345)
Purchase of intangibles	(7,042)	(2,267)
Purchase of property, plant and equipment	(2,339)	(1,730)
Proceeds from investment	22	-
Acquisitions, net of cash acquired	(29,870)	(140,302)
Net cash provided by (used in) investing activities	(39,732)	(147,644)
Effect of foreign currency translation	(2,448)	(2,318)
Net increase (decrease) in cash and cash equivalents	15,853	4,442
Cash and cash equivalents, beginning of period	51,271	69,637
Cash and cash equivalents, end of period	\$ 67,124	\$ 74,079



Reconciliation of Adjusted EBITDA to Profit (Loss)

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

<i>In thousands of dollars</i>	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Adjusted EBITDA	\$ 49,743	\$ 42,239	\$ 67,484	\$ 59,479
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 ⁽¹⁾	3,037	3,309	6,220	6,428
Depreciation of right-of-use assets	(3,060)	(3,042)	(6,264)	(5,810)
Depreciation of property, plant and equipment and amortization of intangibles	(11,978)	(9,164)	(24,257)	(15,936)
Acquisition and related transition (costs) income	(2,421)	(1,898)	(4,282)	(7,080)
Unrealized foreign exchange gain (loss) ⁽²⁾	903	(323)	293	(742)
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles ⁽²⁾	-	5	13	243
Share of profit (loss) of joint venture	539	(96)	1,145	(485)
Non-cash share-based compensation costs ⁽³⁾	(5,584)	(4,980)	(10,204)	(7,412)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged ⁽³⁾	(1,780)	(449)	(4,221)	176
Restructuring (costs) recovery	(5,494)	(270)	(13,850)	(221)
Gain (loss) on investments ⁽⁴⁾	(24)	315	142	503
Other non-operating and/or non-recurring income (costs) ⁽⁵⁾	(5,195)	(962)	(5,699)	(962)
Earnings (loss) before finance costs and income taxes	18,686	24,684	6,520	28,181
Finance (costs) income, net - leases	(463)	(582)	(960)	(1,152)
Finance (costs) income, net - other	(995)	(933)	(2,474)	(1,511)
Profit (loss) before income taxes	17,228	23,169	3,086	25,518
Income tax (expense) recovery	(4,729)	(6,828)	(2,043)	(6,540)
Profit (loss) for the period	\$ 12,499	\$ 16,341	\$ 1,043	\$ 18,978

⁽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 six months ended June 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 six months ended June 30, 2021, other non-operating and/or non-recurring income (costs) relate to costs relating to the June 13, 2021 cybersecurity incident. 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):

<i>In thousands of dollars, except for per share amounts</i>	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Profit (loss) for the period	\$ 12,499	\$ 16,341	\$ 1,043	\$ 18,978
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 ⁽¹⁾	(3,037)	(3,309)	(6,220)	(6,428)
Depreciation of right-of-use assets	3,060	3,042	6,264	5,810
Finance costs (income), net - leases	463	582	960	1,152
Amortization of intangibles of acquired businesses	9,574	7,971	20,006	13,488
Unrealized foreign exchange loss (gain)	(903)	323	(293)	742
Loss (gain) on disposal of right-of-use assets, property, plant and equipment and intangibles	-	(5)	(13)	(243)
Non-cash share-based compensation costs	5,584	4,980	10,204	7,412
Loss (gain) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged	1,780	449	4,221	(176)
Interest accretion on contingent consideration payables	-	-	6	-
Restructuring costs (recovery)	5,494	270	13,850	221
Loss (gain) on hedging transactions, including currency forward contracts and interest expense (income) on swaps	(1,504)	-	(1,504)	-
Acquisition and related transition costs (income)	2,421	1,898	4,282	7,080
Loss (gain) on investments	24	(315)	(142)	(503)
Share of loss (profit) of joint venture	(539)	96	(1,145)	485
Other non-operating and/or non-recurring costs (income)	5,195	962	5,699	962
Tax impact on above	(5,470)	(2,006)	(10,621)	(3,942)
Adjusted earnings (loss) for the period	\$ 34,641	\$ 31,279	\$ 46,597	\$ 45,038
Weighted average number of shares - basic	44,507,718	41,049,045	44,339,681	40,801,797
Weighted average number of restricted shares	626,009	586,221	653,752	491,652
Weighted average number of shares - adjusted	45,133,727	41,635,266	44,993,433	41,293,449
Adjusted earnings (loss) per share ⁽²⁾	\$0.77	\$0.75	\$1.04	\$1.09

⁽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 the Non-GAAP and Other Measures section above for the definition of Adjusted EPS.