



Annual Information Form

For the year ended December 31, 2022

March 31, 2023



Table of Contents

General Information	2
Corporate Structure	3
Narrative Description of the Business	4
Strategy	11
General Development of the Business	12
Risk Factors	16
Dividends	23
Capital Structure	23
Market for Securities	24
Escrowed Securities and Securities Subject to Contractual Restriction on Transfer	25
Directors and Officers	26
Audit Committee	29
Other Information	31
Schedule “A” – Audit Committee Charter	33

General Information

The information disclosed in this Annual Information Form (the “AIF”) is stated as at and for the year ended December 31, 2022, unless otherwise indicated. All references to “Altus Group”, the “Company”, “we”, “us”, “our” or similar terms refer to Altus Group Limited, and, as appropriate, its subsidiaries and consolidated operations. Unless otherwise indicated, references to “\$” or “CAD” are to Canadian dollars, “USD” are to U.S. dollars, “GBP” are to British pounds sterling and “EUR” are to euros, and percentages are in comparison to the same period in 2021.

For the year ended December 31, 2022 and for the comparative prior periods identified in this AIF, Altus Group prepared its financial statements in accordance with International Financial Reporting Standards (“IFRS”). The audited consolidated financial statements of the Company for the year ended December 31, 2022 (the “2022 Financial Statements”) and the related management’s discussion and analysis (the “2022 MD&A”) are available on SEDAR at www.sedar.com.

In this AIF, the Company describes certain non-GAAP measures. Additional information relating to these non-GAAP measures including their definitions, usefulness and reconciliations, where applicable, can be found in the section entitled “Non-GAAP and Other Measures” in the 2022 MD&A.

Forward-Looking Information

Certain information in this AIF may constitute “forward-looking information” within the meaning of applicable securities legislation. All information contained in this AIF, 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, strategies and expectations of future performance, including any guidance on financial expectations, and our expectations with respect to cash flows and liquidity. Generally, forward-looking information can be identified by use of words such as “may”, “will”, “expect”, “believe”, “plan”, “would”, “could”, “remain” and other similar terminology.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may not be known and may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that 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 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 reportable segment 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.

Inherent in the forward-looking information are known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking information. Those risks include, but are not limited to: the general state of the economy; our financial performance; our financial targets; the commercial real estate market; our international operations; acquisitions; industry competition; business interruption events; third party information; cybersecurity; professional talent; our cloud subscriptions transition; software renewals; our sales pipeline; enterprise transactions; client concentration and loss of material clients; product enhancements and new product introductions; technological strategy; intellectual property; property tax appeals and seasonality; legislative and regulatory changes; privacy and data protection; the COVID-19 pandemic; our brand and reputation; fixed-price and contingency engagements; currency fluctuations; interest rates; credit; income tax matters; health and safety hazards; our contractual obligations; legal proceedings; regulatory review; 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; the issuance of additional common shares and debt; our internal and disclosure controls; environmental, social and governance (ESG) matters; and the war in Ukraine, as described in this document under “Risk Factors”.

The COVID-19 pandemic has cast additional uncertainty on each of these factors and assumptions. The duration, extent and the resulting economic impact the COVID-19 pandemic will have on our business remains uncertain and difficult to predict at this time.

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 AIF 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.

Corporate Structure

Altus Group Limited is governed by the *Business Corporations Act* (Ontario) (the “**OBCA**”) pursuant to Articles of Arrangement dated January 1, 2011. The head and registered office of the Company is located at 33 Yonge Street, Suite 500, Toronto, Ontario, Canada M5E 1G4.

The following table is a list of the principal subsidiaries of Altus Group as at December 31, 2022 (including jurisdictions of establishment/incorporation) and presents the percentages of the votes attached to all voting securities of each of the subsidiaries owned by Altus Group or over which control or direction is exercised by Altus Group. There are certain subsidiaries not shown that each represent less than 10% of the Company’s total consolidated revenues and total consolidated assets (although not each subsidiary shown necessarily represents more than 10% of total consolidated assets and total consolidated revenues) and, if considered in the aggregate as a single subsidiary, represent less than 20% of total consolidated revenues and total consolidated assets.

Subsidiary	Voting Securities	Jurisdiction of Incorporation
Altus Group (UK) Limited	100%	United Kingdom
Altus Group U.S. Inc.	100%	Delaware
ARGUS Software, Inc.	100%	Delaware
Scryer, Inc.	100%	Delaware
ARGUS Software (UK) Ltd.	100%	United Kingdom
Altus Group (France) Holdings SAS	100%	France
Finance Active SAS	100%	France

Narrative Description of the Business

Altus Group is a leading provider of asset and fund intelligence for commercial real estate. We deliver intelligence as a service to our global client base through a connected platform of industry-leading technology, advanced analytics and advisory services. Trusted by the largest commercial real estate (“CRE”) leaders, our capabilities help commercial real estate investors, developers, proprietors, lenders and advisors manage risk and improve performance throughout the asset and fund lifecycle. Altus Group is a global company headquartered in Toronto with employees across North America, EMEA and Asia Pacific.

Valuations are at the core of everything we do

The value of a commercial property is one of the most important factors for commercial real estate (“CRE”) investment, ownership and development. It drives decision making across the CRE value chain – from discovery to acquisition/disposition, development, leasing and planning, property tax and debt management, and portfolio strategy. Our business reaches across the entire value chain through our two business units: Analytics and CRE Consulting.

We apply our expertise in valuations toward various use cases across our business units. The primary use cases include: tax appeals, fund mark-to-market reporting, equity and debt portfolio appraisals, transactions and development investments. Our business units generate highly differentiated, high quality exhaust data. As we connect this data, we are building out new advanced analytics capabilities that also expand our use cases to performance management. By leveraging our asset and fund intelligence at scale, we can correlate valuations with asset performance attributes to help our clients maximize performance and better manage risk.

Our valuation capabilities, data and expertise are relied on by many CRE professionals in the industry to reduce their risks and maximize returns. In our Analytics business unit, our ARGUS Enterprise (“AE”) software valuation methodology has been deployed for over 30 years for property cash flow and valuation modelling throughout North America and the U.K., and is taught in over 200 academic institutions worldwide. In collaboration with the National Council of Real Estate Investment Fiduciaries (“NCREIF”) our Valuation Management Solutions data forms the benchmark for the Open-End Diversified Core Equity (“ODCE”) index, the official institutional real estate performance benchmark in the U.S. In our CRE Consulting business unit, our expertise in valuations is a key differentiator in our ability to maximize successful client outcomes.

Serving a global and diverse client base

Our customers include many market participants across the CRE industry. Key customer segments include CRE investors, developers, proprietors, lenders and their advisors. We have the privilege of having long-standing relationships with many of the world’s largest CRE leaders and enjoy a strong network effect by leveraging our mission-critical AE software.

Our customers vary in size, focus and complexity. Our go-to-market plans segment customers under two categories to optimize how we serve them: high touch (those who require more hands-on support or are strategic customers); and scale (those who are more self-reliant). Our approach also segments customers by geography, by offers that can best solve their unique challenges, and by specific client personas. The majority of our revenues come from medium-to-large firms.

Enhancing client value through our Intelligence as a Service offer portfolio

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

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

In 2022, Altus Group initiated the transition from selling individual products and services to a model that combines our technology, analytics and advisory capabilities under offers. Each offer category includes a variety of capabilities for each of our key customer profiles so that our sales professionals can easily identify which offer will drive the greatest impact for their clients’ business and help them solve their most critical business problems. Our offers are delivered as intelligence as a service.

Value selling under offers simplifies our customers' experience with us and enables us to serve them better while enhancing our prospects for higher value enterprise contracts that broaden our engagement. Recognizing that customer requirements differ by client type, we sell our offers under three editions: essentials, advanced and premium:

Essentials "Do it myself"	<ul style="list-style-type: none"> Provides clients with base editions that are self-service and technology led Products and services can still be purchased stand-alone
Advanced "Show me"	<ul style="list-style-type: none"> Combines the essentials edition with added capabilities Includes technology with added data, analytics or services
Premium "Do it for me"	<ul style="list-style-type: none"> Combines the advanced edition with added capabilities Includes technology-enabled, expert-led, outcome-based delivery services

We have four offer categories that support different critical asset and fund-level challenges:

Offer category	Offer description	Includes the following legacy solutions and services
Altus Valuation	<p>An offer for cash flow modelling, valuations and reporting</p> <ul style="list-style-type: none"> We help clients produce reliable valuations of assets, investments and loans that are trusted by partners, investors and regulators 	Software products (including ARGUS Enterprise, ARGUS Developer and ARGUS EstateMaster) and Valuation Management Solutions (including ARGUS ValueInsight)
Altus Portfolio Performance	<p>An offer to connect asset data, modelling and analytics to optimize asset and portfolio management.</p> <ul style="list-style-type: none"> We help clients maximize financial performance across real estate investments by identifying risks, understanding portfolio impacts and finding opportunities to add value throughout their lifecycle 	Software products (including ARGUS Enterprise, ARGUS Developer, ARGUS EstateMaster, ARGUS Taliance and Fairways Debt), as well as advisory solutions previously sold under the One11 brand and our Development Advisory services
Altus Market Insights	<p>An offer to provide instant access to asset, market and fund-level intelligence</p> <ul style="list-style-type: none"> We help clients make faster, informed decisions in key CRE workflows and activities by leveraging market data and predictive analytics 	Data and analytics tools (including Altus Data Studio, Reonomy and StratoDem Analytics), including related advisory services
Altus Property Tax	<p>An offer to minimize property tax liability</p> <ul style="list-style-type: none"> We help clients optimize and effectively manage a CRE portfolio's largest operating expense, property taxes 	Our property tax management and appeal services, as well as the itamlink property tax management software

Our Intelligence as a Service offer portfolio is powered by our internal Altus Performance Platform ("APP"). The APP delivers a scalable, diverse, and extensible data model designed to support advanced analytics applications. The APP is where we house the most relevant industry asset data, apply that data for performance and risk management use cases, and derive insight and intelligence through advanced analytics. We are transitioning our entire technology stack onto this platform.

We report the results of our operations through the following reportable segments: (1) Analytics, (2) Property Tax and (3) Appraisals and Development Advisory. Our business units are also supported by a corporate centre that primarily includes our finance, information technology, human resources, marketing, legal, corporate development and communications functions.

ANALYTICS

Principal Activities

Our Analytics portfolio includes software, data analytics and advisory solutions used primarily to support and facilitate CRE asset valuations for the purpose of performance, development and investment management.

Key Revenue Streams

Our key revenue streams comprise software, data analytics, market data, Valuation Management Solutions and technology consulting services. We help clients gain data-based transparency and digitize their CRE asset and fund management valuation processes to empower better decision-making to maximize valuations, reduce risk and enhance the value of their CRE investments.

- Our software suite includes ARGUS-branded solutions (including the flagship AE product) and Finance Active-branded debt management solutions. Our software solutions are deployed globally and primarily used to value, manage and increase the transparency of equity and debt CRE portfolios.
- Our market data and related data analytics capabilities cover key North American markets and are used to support acquisition, investment and development decisions.
- Our Valuation Management Solutions (formerly referred to as appraisal management), primarily offered in the U.S., include valuation management and advisory services for CRE portfolios and funds with tools for attribution analysis and data-benchmarking.
- Our technology consulting services include strategic advisory for front-to-back-office strategies, processes and technology. It also captures traditional software services related to education, training and implementation.

Approximately 87% of fiscal year 2022 Analytics revenues were Recurring Revenue. Our Recurring Revenue includes software subscription revenues recognized on an over time basis, market data and data analytics subscription offerings, fees from our Valuation Management Solutions that are supported by multi-year contracts, as well as legacy software maintenance fees (which we continue to upgrade to cloud subscriptions).

Our Non-Recurring Revenue includes services related to technology consulting as well as software education, training and implementation. Although diminishing in size, for customers who have on-premise software and wish to add more on-premise seats, the software license component of the subscription contract is captured as point-in-time revenue when delivered as required by IFRS, and captured in this revenue.

Revenue Model

Our Recurring Revenue streams are sold primarily on subscription contracts supported by cloud-based solutions. Recurring Revenue provides us with a stable and predictable revenue base that we expect the high majority to repeat every year. Our Analytics subscription agreements vary in length between one to five years with the fee primarily dependent on the number of users and applications deployed. Many of our “high touch” client contracts, particularly for our Valuation Management Solutions, are priced based on the number of real estate assets on our platform and subject to adjustments based on complexity of asset type and frequency of valuations. An asset-based pricing model allows us to grow with our customers, while also enhancing our opportunity to expand the users on our platform and broaden our reach across workflows.

Our Non-Recurring Revenue service engagements are charged primarily on a time and materials basis, billed and recognized as delivered.

Key Geographies and Foreign Operations

Our Analytics solutions are sold globally, primarily targeting our Tier 1 geographies including U.S., Canada, U.K., France and Australia.

Key Customer Segments

Our key client segments include high-touch and scale clients. The high-touch clients include large, global and strategic firms that account for the majority of our revenues. The scale segment clients predominately include small-to-medium sized businesses.

Our customer base is globally dispersed and diversified by type. Key customers include equity and debt investors, service providers, owner operators and developers.

Primary Revenue Growth Drivers

Our existing customer base continues to represent an attractive opportunity to deepen our engagement with them and cross-sell new capabilities. As we continue to make deeper inroads across our clients' organizations and become more embedded in their workflows, our "land-and-expand" approach allows us to efficiently increase revenue from our existing customer base. Growth within our existing customer base also captures higher-value contracts from multi-solution sales facilitated through offer selling and migration of customers to our cloud-based subscription pricing. Albeit additive, pricing is not a material driver of growth at this stage.

New customers also represent an attractive opportunity, including outside of North America where our market penetration is still modest relative to the opportunity. As we expand our capabilities, we have increased opportunities to capture new customer segments and user types/personas in the industry that we have not served historically.

Specialized Skill and Knowledge

Our Analytics business is fueled by CRE industry experts, skilled technologists and our salesforce. We develop advanced technologies to collect and analyze CRE asset and market data that is leveraged by our industry experts. We possess significant industry, market and asset-specific knowledge across various CRE asset classes in the markets in which we operate. We also depend on skills and deep knowledge in advanced technologies across software development, data science and machine learning.

We draw talent from various professional backgrounds in our industry, technology and in business in general, spanning a wide range of functions across sales, marketing, information technology, research and development, legal and human resources.

Competitive Conditions

Given the broad scope of our CRE-focused solutions and services and the number of markets in which we operate, we believe that Altus Group does not have one single competitor, rather we face competition from a variety of different companies, primarily across the following areas of our business:

- *Software providers* – although our software offerings are widely recognized as industry-standards for property valuations in North America, we still face competition from other software providers of CRE asset and investment management capabilities, and from localized vendors outside of North America.
- *Data and data analytics providers* – although our data and data analytics solutions are unique in the industry, other data providers target similar customers.
- *Valuation Management Solutions* – we have a direct competitor in the same market which we estimate is significantly smaller than our practice.

Intellectual Property

We own or have rights to trademarks, service marks or trade names (collectively, "**Marks**") that we use in connection with the operation of our business that we believe enjoy significant brand recognition. Some of these Marks are subject to registrations or applications to register with trademark offices in various jurisdictions, while others are not subject to registration but are protected by common law rights. Solely for convenience, Marks referred to herein may appear without the ®, ™ or ™ symbols, but such references do not indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these Marks. Our Marks for Altus, Altus Group, Analytics, Finance Active, Reonomy and ARGUS, and its family of software product names (e.g., ARGUS Enterprise), enjoy significant brand recognition within the CRE industry.

Altus Group's proprietary technology, data and analytics solutions, including the ARGUS Enterprise software and Finance Active and Reonomy branded products, are critical components of our success and a key differentiator in the marketplace. Over the years, we have completed a number of technology acquisitions, as described in this AIF, that have provided us with an end-to-end platform for a broad base of CRE investment and management capabilities to better service our clients and address emerging market demand trends. We protect our technology, data and analytics solutions through a combination of intellectual property protection such as copyright and trade secrets, in addition to confidentiality procedures and other contractual arrangements.

Seasonality	As is typical for many technology companies, Analytics tends to have a seasonally stronger fourth quarter, and first quarter revenue and Adjusted EBITDA margins of a new year may be sequentially lower than in the fourth quarter of the preceding year (excluding the impact of unusual or nonrecurring items). We believe the strength in the fourth quarter generally reflects customer spending patterns and budget cycles, as well as the impact of incentive compensation plans for our sales personnel. The first quarter of a new year also includes additional expenses, such as payroll taxes, that impact the sequential Adjusted EBITDA margin trend. While these seasonal and cyclical factors have historically been relevant, given the evolution of our businesses through our growth and acquisitions, this pattern should not be considered as a reliable indicator of our future revenue or financial performance.
Employees	As at December 31, 2022, we had 998 employees in our Analytics reportable segment.

PROPERTY TAX

Principal Activities	Our Property Tax portfolio includes expert services and technology for property tax management. Our core offering is conducting property tax assessment reviews for commercial properties of our clients, based on which we selectively pursue appeals with government agencies to minimize our clients' tax liability.
Key Revenue Streams	Property tax is influenced by government-assessed asset valuations and often represents the largest operating expense in CRE property ownership after debt service. Additionally, property tax obligations and processes vary significantly between jurisdictions, requiring regional and asset specific expertise. We help clients proactively manage this expense and their complex appeal processes through our technology-enabled expert services, striving to help them minimize the tax burden.
Revenue Model	<p>Approximately 70% of our revenues are derived on a contingency basis, where we receive a percentage of the savings we achieve for our clients. As such, we recognize contingency revenues only when settlements are made, which in some cases could span multiple years. Approximately 30% of our Property Tax fees are based on a time and materials basis. We also have a growing recurring revenue stream related to the itamlink software from our acquisition of Rethink Solutions Inc. ("Rethink Solutions") which we sell on recurring subscription contracts.</p> <p>Of note, this business has an element of cyclicity in the U.K., its biggest geographic market. Starting in the second year of the national multi-year U.K. cycle, we record annuity billings in the U.K. that occur only in the second quarter beginning in the second year of the national multi-year tax cycle. Unlike the North American practice where we bill a client once for the savings we achieve for them for an entire cycle, we bill our clients in the U.K. annually based on savings for that year. Revenues from the annuity billings generally grow over the cycle as we add more clients and as more cases are settled, with the volume of billable clients increasing concurrently with case settlements.</p>
Key Geographies and Foreign Operations	Our Property Tax services are offered in Canada, the U.S. and the U.K. where we are relied on by our clients to help manage their property tax and business rates liabilities.
Key Customer Segments	Our key client segments include proprietors in the high-touch segments in North America (where the property tax obligations are with landlords and owners) and largely property tenants under the scale segment in the U.K. (where the property tax obligation rests predominantly with tenants).
Primary Revenue Growth Drivers	Revenue growth is primarily driven by increasing both the volume and value of our appeal settlement pipeline and our ability to leverage data and automation to scale successful client outcomes. Market share gains drive volume, and value is driven by our expertise and data which allows us to selectively pursue appeals that have a high probability of successful client outcomes. Our ongoing digitization efforts support revenue growth by helping us scale, better identify high-margin opportunities and increase our sales productivity.

<p>Specialized Skill and Knowledge</p>	<p>Our property tax professionals require significant CRE industry and asset specific expertise as well as deep knowledge of property tax appeal laws, policies and processes which vary significantly by market and asset class. This business also requires talent from various professional backgrounds in business, CRE and technology, with specific skillsets ranging from appraisal assessments, business administration, sales, marketing, engineering, legal, accounting, economics, software development, cybersecurity, privacy and data protection.</p> <p>We draw talent from various professional backgrounds in our industry, technology and in business in general, spanning wide range of functions across sales, marketing, information technology, research and development, legal and human resources.</p>
<p>Competitive Conditions</p>	<p>We face competition from local, regional and national firms, large and small, that offer similar services to us. In some markets, the smaller firms compete on assignments where the real property is geographically proximate. Larger firms that have a national and international base also compete with us for larger clients with multi-jurisdictional and multi-service professional real estate service needs. Our competitors include specialized property tax firms, accounting firms, law firms and real property brokerages.</p>
<p>Intellectual Property</p>	<p>As noted in the Analytics table above, we own or have rights to Marks that we use in connection with the operation of our business which we believe enjoy significant brand recognition. Marks specifically used for the Property Tax business include Rethink Solutions and itamlink, in addition to certain Marks referred to above (e.g. Altus, Altus Group).</p> <p>Altus Group's proprietary technology includes Rethink Solutions' itamlink property tax management software. We protect our technology (including itamlink) through a combination of intellectual property protection such as copyright and trade secrets, in addition to confidentiality procedures and other contractual arrangements.</p> <p>Our Property Tax practice also uses information systems in Canada, the U.S. and the U.K. to manage property tax appeal processes. Our Property Tax practice uses these systems to make an assessment of the property tax applicable to a particular property or portfolio of properties.</p>
<p>Seasonality</p>	<p>The Property Tax reportable segment experiences stronger second quarters driven by the annuity billings (as described above), however only starting in the second year of a new cycle. In the U.S., where market cycles are annual, we also tend to experience higher volumes of settlements in the second and third quarters. Overall, the Property Tax reportable segment tends to experience more quarterly variability due to 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 several years). 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. Therefore, it tends to have lower earnings than later in the cycle, when more settlements are made and a high majority of those revenues flow directly to the bottom line. While these seasonal and cyclical factors have historically been relevant, given the evolution of our businesses through our growth and acquisitions, this pattern should not be considered as a reliable indicator of our future revenue or financial performance.</p>
<p>Employees</p>	<p>As at December 31, 2022, we had 860 employees in our Property Tax reportable segment.</p>

APPRAISALS AND DEVELOPMENT ADVISORY

Principal Activities	Our Appraisals and Development Advisory portfolio also includes expert services in the areas of commercial property valuation appraisals and commercial development advisory.
Key Revenue Streams	The Appraisals practice core services include valuation appraisals of real estate portfolios. Additional related services include valuation appraisals of properties for transactional purposes, due diligence and litigation support and economic consulting. The Development Advisory practice provides services in the areas of construction feasibility studies, budgeting, cost and loan monitoring and project management.
Revenue Model	Pricing is primarily based on a fixed fee or time and materials basis. Many of our Development Advisory contracts are multi-year.
Key Geographies and Foreign Operations	Our Appraisals services are primarily offered in Canada and our Development Advisory services are primarily offered in Canada and Australia.
Key Customer Segments	Our key client segments primarily include high-touch clients. Our Appraisals customers include institutional CRE clients, whereas our Development Advisory clients include CRE developers, lenders and government agencies for infrastructure related projects.
Primary Revenue Growth Drivers	Growth is primarily driven by an expansion of market size and by market share gains.
Specialized Skill and Knowledge	Our Appraisals and Development Advisory professionals require deep CRE industry and asset specific expertise and knowledge of the markets in which we operate. We draw talent from various professional backgrounds in our industry, technology and in business in general, spanning wide range of functions across sales, marketing, information technology, research and development, legal and human resources.
Competitive Conditions	We face competition from local, regional and national firms, large and small, that offer similar services to us. In some markets, the smaller firms compete on assignments where the real property is geographically proximate. Larger firms that have a national and international base also compete with us for larger clients with multi-jurisdictional and multi-service professional real estate service needs. Our competitors primarily include specialized firms offering professional real estate services, real property brokerages and engineering firms.
Employees	As at December 31, 2022, we had 600 employees in our Appraisals and Development Advisory reportable segment.

The following table sets out Altus Group's revenue by reportable segment.

	Year Ended December 31, 2022	Year Ended December 31, 2021
	(\$,000)	(\$,000)
Analytics	346,103	251,084
Property Tax	268,583	259,911
Appraisals and Development Advisory	121,469	114,693
Total	736,155	625,688

Strategy

MARKET OPPORTUNITY

Commercial real estate is one of the largest asset classes in the world, yet despite its scale and influence, the CRE industry has historically been slow to digitize. Consequently, CRE asset and fund level intelligence remains largely fragmented and behind in comparison to other established industries such as financial services.

This is rapidly changing, as the influx of institutional ownership, together with globalization and demographic shifts, demands more sophisticated processes and data-driven transparency. Jobs, functions and workflows are changing and challenging the status quo of how this industry has historically operated. With ever increasing competition, intensifying reporting requirements and the desire to modernize, the industry is looking for partners to help it innovate, unlock insights, discover new opportunities and better manage risks and costs.

VALUE CREATION STRATEGY

Our strategic focus is to deliver actionable intelligence to help our clients improve performance and better manage risk. Our long-term value creation strategy is grounded in this mission.

Our strategic intent is to maximize client value, enhance our foundational capabilities – organically and through partnerships and acquisitions, continuously improve our operational effectiveness and methodically allocate capital to drive profitable growth as measured by Adjusted EBITDA margin expansion, Adjusted EPS growth and optimized Free Cash Flow.

Our growth strategy is focused on: 1) defending, connecting and growing our core business units; 2) extending those business units through carefully selected adjacencies; and 3) reaching into new market segments through advanced analytics-driven capabilities.

To deliver on our mission, effectively and at scale, we are completing our business transformation to operate more efficiently. This includes integrating all aspects of our business – *optimizing our operating model, our go-to-market approach, platform architecture, as well as our front and back-office infrastructure* – to deliver an exceptional experience for our clients and employees. We believe this critical initiative will drive operational excellence, platform economics and maximize our operating leverage so that we can scale more effectively as we grow.

To meet the evolving needs of our clients and position ourselves for our next phase of growth, we are on a journey to deliver comprehensive asset and fund level intelligence through advanced analytics. Our strategic focus is to connect high quality asset data and technology with advanced analytics, complemented by our deep industry expertise, to deliver predictive and prescriptive foresight essential to CRE performance. Our future-state predictive and prescriptive models will deliver intelligence at scale, enabling our clients to improve and de-risk their performance by helping them better anticipate opportunities and adapt accordingly.

STRATEGIC PRIORITIES IN 2023

In 2023, our strategic priorities move from business transformation to scaling profitable growth. The following four 2023 strategic priorities will drive the growth and long-term success of Altus Group:

Scale Altus Group	Accelerate the expansion of Altus Group by defending and extending our core business units and reaching into new market segments
Operate efficiently	Maximize operating leverage through improved efficiencies, prudent expense management and optimized investments
Create customer value	Build on and evolve our capabilities to meet client needs for improved performance and better risk management
Engage talent	Place best people in the right roles and empower colleagues for greater performance in an inclusive environment

General Development of the Business

HISTORY

The Company completed its initial public offering as Altus Group Income Fund (the “**Fund**”) in 2005 and listed its units on the Toronto Stock Exchange (“**TSX**”). The Fund brought together three Canadian CRE consulting firms which, at the time, specialized in services related to property tax appeals, appraisals and development advisory, that collectively drove approximately \$63 million in revenues for the fiscal year ended 2005. In the years that followed, the Company began to expand in specialty and size and, in 2011, completed a plan of arrangement to convert the Fund from an income trust to a corporation called Altus Group Limited.

Since inception, through over 45 acquisitions, the Company has entered new international markets and broadened its offers with complementary and adjacent capabilities. The Company’s strategic acquisition of Realm Solutions, Inc., owner of ARGUS Software, in 2011 launched Altus Group as a technology company. With new CRE-focused software capabilities, the Company’s growth strategy began to shift to address the growing industry demand for technology solutions. We also pursued critical investments to enable our advisory solutions from a technological perspective.

In recent years, under a new leadership team, the Company began to execute on its refreshed multi-year strategy to leverage asset-specific intelligence to deliver advanced analytics at scale. Through various organic investments and strategic acquisitions, we began to connect our CRE expertise with our industry-leading technology and advanced analytics to deliver intelligence as a service.

RECENT DEVELOPMENTS

Business and Technology Developments

Throughout 2020, we pursued various business transformation activities to capture efficiencies and position the Company to better scale as we grow. This included optimizing our operating model, our go-to-market approach, platform architecture and our front and back-office infrastructure.

In 2022, we initiated the transition from selling individual products and services to a model that combines our technology, analytics and advisory capabilities under offers. Each offer category includes a variety of capabilities for each of our key customer profiles so that our sales professionals can easily identify which offer will drive the greatest impact for their clients’ business and help them solve their most critical business problems. Our offers are delivered as intelligence as a service.

In 2022, we also developed our internal Altus Performance Platform (“**APP**”) to power our intelligence as a service offer portfolio. The APP delivers a scalable, diverse and extensible data model designed to support advanced analytics applications. The APP is where we house the most relevant industry asset data, apply that data for performance and risk management use cases and derive insight and intelligence through advanced analytics. We are transitioning our entire technology stack onto this platform.

Our focus on driving global industry adoption of our ARGUS cloud platform began in 2019 and remains a high priority and the foundation to our long-term growth strategy. Throughout 2022, we remained focused on migrating our legacy ARGUS Enterprise on-premise software users to our cloud platform, finishing the year with 64% of AE users contracted on ARGUS cloud.

Debt and Equity Financings

Amendment to Credit Facilities (2020)

On March 24, 2020, we amended and expanded our credit facilities to further strengthen our financial and liquidity position. The amended credit facilities increased our borrowing capacity to \$275.0 million from \$200.0 million, with certain provisions that allowed us to further increase the limit to \$350.0 million. The amended agreement extended the term by three years expiring March 24, 2023, with an additional two-year extension available at our option. The other significant amendment is that the credit facilities are unsecured.

Amendment to Credit Facilities (2021)

On September 24, 2021, we amended our bank credit facilities to further strengthen our financial and liquidity position. The amended credit facilities increased our borrowing capacity to \$315.0 million from \$275.0 million with certain provisions that allow us to further increase the limit to \$365.0 million. The amendment also revised the interest rates under our credit facilities that were benchmarked to LIBOR rates to be benchmarked to SONIA, SOFR and €STR rates. On November 4, 2021, we further amended our bank credit facilities to increase our borrowing capacity to \$400.0 million from \$315.0 million with certain provisions that allow us to further increase the limit to \$450.0 million.

Bought Deal Equity Financing

On October 4, 2021, we completed a \$172.5 million bought deal equity financing to strengthen our financial flexibility to pursue our growth strategy. A total of 2,783,000 common shares of the Company (“**Common Shares**”) were sold pursuant to our bought deal equity financing at a price of \$62.00 per Common Share for gross proceeds of \$172.5 million, including the full exercise of the underwriters’ over-allotment option to purchase an additional 363,000 Common Shares at the same price.

Interest Rate Hedge

On April 29, 2022, we entered into interest rate swap agreements for a total notional amount of GBP57.0 million. Under the agreement, we are 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 us an amount equal to the GBP - SONIA. These agreements expire on April 13, 2027.

Amendment to Credit Facilities (2022)

On June 28, 2022, we amended our bank credit facilities to further strengthen our financial and liquidity position by increasing our borrowing capacity to \$550.0 million from \$400.0 million with certain provisions that allow us to further increase the limit to \$650.0 million. 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 of up to 5.0 following certain business acquisitions and are secured on certain of our assets. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at our option.

Acquisitions and Investments

The following table summarizes our acquisitions over the past three years.

Entity	Key Characteristics
Property Tax Assistance Company Inc. (2020)	Expanded our Property Tax services and geographic footprint in the U.S.
Finance Active SAS (2021)	Expanded our Analytics software services to include adjacent debt management solutions that provide us with a platform for CRE debt valuation and risk management while expanding our geographic footprint in Europe
StratoDem Analytics, LLC (2021)	Strengthened our Analytics offerings with data-as-a-service CRE focused capabilities, which, together with our data and technology, enhance our delivery of predictive analytics
ArGil Property Tax Services Paralegal Professional Corporation (2021)	Strengthened our Property Tax services in Ontario
Scryer, Inc. (d/b/a Reonomy) (2021)	Expanded our Analytics offerings with new CRE data and an artificial intelligence powered platform critical to our delivery of advanced analytics
Rethink Solutions Inc. (2022)	Broadened our Property Tax offering with complementary property tax-focused software

Geomatics Spin-Off and Investment in the GeoVerra Joint Venture

On June 27, 2020, we divested the Geomatics business by way of a joint venture structure with WSP Global Inc. The combined entity, launched as GeoVerra Inc. (“**GeoVerra**”), formed a leading Canadian geomatics firm with offices and employees in Western Canada and Ontario. We contributed \$14.9 million in cash and certain net assets in exchange for a 49.5% equity interest in GeoVerra that provides joint control through an equal 50% of the voting rights, resulting in a gain of \$0.5 million.

Acquisition of Property Tax Assistance Company Inc.

On December 1, 2020, the Company acquired certain operating assets of Property Tax Assistance Company Inc. (“**PTA**”) for USD10.1 million (CAD13.1 million) in cash, subject to closing working capital adjustments of USD2.2 million (CAD2.9 million). As part of the transaction, the Company entered into non-compete agreements with key members of management of PTA. On closing, the Company paid cash of USD9.6 million (CAD12.5 million). In addition, the Company granted Common Shares of USD3.4 million (CAD4.4 million) to key members of management of PTA, which were issued from treasury. The Common Shares are held in escrow, with 25% released on each of the first and second anniversaries of the closing date and 25% scheduled to be released on each of the third and fourth anniversaries of the closing date, subject to continued employment with the Company and compliance with certain terms and conditions. PTA is a U.S. property tax consulting firm based in California that provides personal property and real estate tax services for commercial, industrial and multifamily properties. PTA has integrated with our Property Tax reportable segment.

Acquisition of Finance Active

On April 1, 2021, we acquired all of the issued and outstanding shares of Finance Active SAS (“**Finance Active**”) and its subsidiaries for approximately EUR106.5 million (CAD157.3 million) including a working capital payable of EUR0.1 million (CAD0.1 million). On closing, we paid a total of EUR89.2 million (CAD131.9 million) in cash, funded by drawing down on our credit facilities. In addition, we issued 303,177 Common Shares to the selling shareholders and certain members of Finance Active’s management team valued at EUR12.4 million (CAD18.3 million) from treasury. These Common Shares are held in escrow and will vest and be released over two- or three-year periods on each anniversary of the closing date, subject to compliance with certain terms and conditions. Of the shares issued, 156,405 valued at EUR6.4 million (CAD9.5 million) are also subject to continued employment over the vesting period. Approximately 44% of the Common Shares (which reflects certain Common Shares forfeited for failure to meet the release requirements) originally under escrow were released on April 1, 2022, and approximately 56% (less any Common Shares forfeited for failure to meet the release requirements) are scheduled for release in the future. As part of the purchase price, EUR4.8 million (CAD7.1 million) is also payable in cash over three years after closing, 50% of which has been released. As part of the transaction, we entered into non-compete agreements with members of management of Finance Active.

Founded in 2000, Finance Active is a European provider of SaaS debt management and financial risk management SaaS solutions for treasury and investment management serving public, corporate and financial institutions. Finance Active is headquartered in Paris, France, with a wide geographic footprint in Europe including over 3,000 customers ranging from small-to-medium businesses to large, global institutions. Finance Active’s team of approximately 160 professionals has integrated with our Analytics reportable segment. Finance Active, with its SaaS business model, strengthens our Over Time revenues and provides additional opportunities for organic growth as we integrate our go-to-market operations.

Acquisition of StratoDem Analytics

On May 4, 2021, we acquired certain assets of StratoDem Analytics, LLC (“**StratoDem Analytics**”) for USD24.4 million (CAD29.9 million) in cash and Common Shares, subject to adjustments. As part of the transaction, we entered into a non-compete agreement with members of management of StratoDem Analytics. As consideration for these assets, we paid cash of USD16.0 million (CAD19.6 million). In addition, we issued 165,320 Common Shares to the vendors valued at USD8.4 million (CAD10.3 million) from treasury. The Common Shares are held in escrow, with 50% released on the first anniversary and the remaining 50% scheduled to be released equally at 25% on each of the second and third anniversary of the closing date, subject to compliance with certain terms and conditions. Of the shares issued, 139,977 valued at USD7.1 million (CAD8.7 million) are also subject to continued employment over the vesting period.

StratoDem Analytics is an early-stage company offering data-science-as-a-service for the real estate sector. The cloud-based StratoDem Analytics platform integrates vast amounts of granular local demographic and economic datasets to generate predictive models and analytical tools that enable clients to better understand the factors influencing the market and build more accurate models and forecasts. Through this acquisition, the StratoDem Analytics platform became a core component to our long-term data strategy, bringing valuable data science talent and technology, and accelerating our speed to market for future data analytics products. Based in the U.S., the StratoDem Analytics team has integrated with our Analytics reportable segment.

Acquisition of ArGil Property Tax Services Paralegal Professional Corporation

On August 16, 2021, we acquired certain assets of ArGil Property Tax Services Paralegal Professional Corporation (“**ArGil**”) for \$6.1 million including a working capital payable of \$2.1 million and contingent consideration. As part of the transaction, we entered into a non-compete agreement with members of management of ArGil. As consideration for these assets, we paid cash of \$1.4 million and have paid to the vendors excess working capital of \$2.1 million. In addition, we issued 40,023 Common Shares to the vendors valued at \$2.4 million from treasury. The Common Shares are held in escrow, with one-third released on the first anniversary of the closing date, and the remaining two-thirds scheduled to be released equally at one-third on each of the second and third anniversaries of the closing date, subject to compliance with certain terms and conditions. The shares issued are also subject to continued employment over the vesting period. The purchase agreement also provides for contingent consideration of \$0.2 million, subject to certain performance targets being achieved over a three-year period from the closing date. ArGil provides Property Tax Advisory services in Ontario, Canada. Based in Canada, the ArGil team has integrated with our Property Tax reportable segment.

Acquisition of Reonomy

On November 12, 2021, we acquired all of the issued and outstanding shares of Scryer, Inc. (d/b/a “**Reonomy**”) for USD201.5 million (approximately CAD250.8 million) (on a cash-free debt-free basis), subject to adjustments. On closing, we paid a total of USD218.1 million (CAD271.4 million) in cash, funded with cash on hand and drawing down on our credit facilities. In addition, there was a working capital payable of USD0.3 million (CAD0.3 million) that was settled in 2022. As part of the transaction, we entered into non-compete agreements with members of management of Reonomy. In addition, we issued 58,466 Common Shares to employees of Reonomy valued at USD3.0 million (CAD3.7 million). These Common Shares are held in escrow, with approximately 50% released on the first anniversary of the grant date (which reflects certain Common Shares forfeited for failure to meet the release requirements) and the remaining 50% scheduled to be released on the second anniversary of the grant date (less any Common Shares forfeited for failure to meet the release requirements), subject to compliance with certain terms and conditions.

Reonomy is a fast growing, artificial intelligence powered data platform for the CRE industry. The acquisition of Reonomy strengthened our CRE data and analytics capabilities and facilitated the creation of a very compelling client offering that has allowed us to serve new and expanded customer use cases. It has also strategically positioned us for accelerated transformative innovation in artificial intelligence predictive data analytics, consistent with our data strategy to solve key CRE challenges with real-time, data-driven insights, predictive analytics and alert capabilities. Reonomy was founded in 2013 and, at the time of acquisition, was in its early stages of growth. Based in the U.S., Reonomy's team has integrated with our Analytics reportable segment.

Acquisition of Rethink Solutions Inc.

On May 1, 2022, we acquired all of the issued and outstanding shares of Rethink Solutions Inc. for \$40.7 million, subject to adjustments. On closing, the Company paid a total of \$28.6 million 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 \$9.0 million from treasury, to certain selling shareholders who continued 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 \$3.0 million subject to certain performance targets being achieved by the third anniversary of the closing date.

Founded in 2001 in Toronto, Rethink Solutions developed the itamlink property tax management software, a comprehensive tax management solution used by many organizations across the U.S. and Canada to optimize property tax processes. The acquisition added a complementary software offering, property tax-focused technical talent and strong customer relationships. It is also an important building block for our technology strategy to develop an end-to-end property tax management platform, representing significant time and cost savings to bring it to market. Rethink Solutions' results are reported under our Property Tax reportable segment.

Purchase of Verifino Non-Controlling Interest

On May 3, 2022, we purchased the remaining 30% minority interest in Verifino GmbH & Co. KG ("**Verifino**") and settled our non-controlling interest liability for \$2.8 million in cash. We acquired our interest in Verifino through the acquisition of Finance Active in 2021, which owned a 70% majority interest in the subsidiary at the time of the acquisition.

Reorganizations

In 2020, we initiated a global restructuring program across all our business segments which resulted in one-time restructuring costs of \$12.0 million for the year ended December 31, 2020, of which \$4.7 million related to Analytics and the balance to CRE Consulting and Corporate segments. These costs primarily related to employee severance costs. The restructuring was planned as part of our strategy to continue to focus and invest in technology and information services platforms.

In 2022, we implemented a restructuring program that resulted in restructuring costs of \$38.9 million for the year. This program was completed at the end of the year. Approximately \$9.8 million of the costs related to rationalizing our leased office space in certain markets. The remainder of the restructuring costs were primarily related to employee severance costs reflecting the synergies we obtained from recent acquisitions, efficiencies gained from investments in technology, and the ongoing evolution of our operating models in support of our strategic initiatives.

Risk Factors

Readers should carefully consider the following risks, as well as the other information contained in this AIF and the 2022 MD&A. The reader should understand that the sole purpose of discussing these risks and uncertainties is to alert the reader to factors that could cause actual results to differ materially from past results or from those described in forward-looking statements. The risks and uncertainties that could significantly affect our business, financial condition and future results of operations are summarized below. Additional risks and uncertainties, including those of which we are currently unaware or we currently deem immaterial, may also adversely affect our business.

General State of the Economy

Our business is affected by general economic conditions, including international, national, regional and local economic conditions, all of which are outside of our control. Recent events in the financial markets have demonstrated that businesses and industries throughout the world are closely connected to each other. As a result, financial developments seemingly unrelated to us or to our industry may materially adversely affect us over the course of time. Economic slowdowns or downturns, adverse economic conditions, cyclical trends, increases in interest rates, variations in currency exchange rates, reduced client spending and other factors could have a material adverse effect on our business, prospects, financial condition and results of operations. Although our operations are functionally and geographically diversified with a high degree of revenue stability protected from CRE market cyclicality, significant erosion in levels of activity in any segment in which we operate could have a negative impact on our business, prospects, financial condition and results of operations.

Financial Performance

Our future revenue and earnings growth is dependent on our ability to execute our strategic plan and effectively manage our growth. This includes growing our client base, retaining existing clients, and expanding our clients' usage and adoption of our offerings and services on favourable terms. Client retention and acquisition could be influenced by a number of factors, including client satisfaction, pricing and relative value of our offerings, changes in products and services, client preference to rotate appraisal mandates, reputation, and actions taken by competitors. A failure to effectively manage our growth and strategic plan could have a material adverse effect on our business, prospects, financial condition and results of operations. Also, our revenue, cash flow, operating results and profitability may experience fluctuations from quarter to quarter, based on project and contractual terms and conditions for the billing and rendering of services.

Financial Targets

Our long-range financial targets are predicated on certain assumptions, including revenue growth, retention rates, foreign currency exchange rates, and operating margin improvement expectations, that we may fail to achieve, which could reduce our expected earnings and cause us to fail to meet the expectations of analysts and investors and cause the price of our securities to decline.

CRE Market Conditions

Although we are broadly diversified, both geographically and by business offering, with a high degree of revenue stability protected from CRE market cyclicality, our business is affected by the state of CRE as an investment asset class. Prolonged economic slowdowns triggered by credit liquidity, interest rates, regulatory policy, tax policy, etc., could negatively impact the market and result in reduced sales and consulting service engagements. This could have a material adverse effect on our business, prospects, financial condition, liquidity and results of operations.

International Operations

We intend to maintain and expand our international operations, which may include entry into new international markets. The possible expansion of our international operations will require management attention and financial resources to establish additional foreign operations and hire additional personnel. Incremental revenue may not be adequate to cover the expenses of international expansion. Our possible expansion into new international markets may take longer than anticipated and could directly impact how quickly we increase sales in these markets. International markets may take additional time and resources to penetrate successfully. Any disruption in the ability of our personnel to travel could impact our ability to expand international operations and to service our international clients, which could, in turn, have a material adverse effect on our business, results of operations and financial condition. Other risks we may encounter in conducting international business activities generally could include the following: economic and political instability; climate change; unexpected changes in foreign regulatory requirements and laws; tariffs and other trade barriers; timing, cost and potential difficulty of adapting our product to the local language standards; longer sales cycles and accounts receivable cash collections cycles; potentially adverse tax consequences; inflation; fluctuations in foreign currencies; and restrictions on the repatriation of funds.

Acquisitions

We intend to acquire new businesses and technologies as part of our strategy to grow our business. From time to time, we may also consider opportunities to engage in joint ventures or other business collaborations with third parties to address particular market segments. Pursuing these activities may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions or joint ventures, whether or not they are consummated. Acquisitions may increase the size of our operations, create additional demands on our resources, systems and procedures, disrupt our ongoing business and increase the amount of indebtedness that we may have to service. The successful integration and management of acquired businesses and technologies involve numerous risks and there is no assurance that we will be able to successfully integrate such acquisitions. Further, if we do not achieve the expected return on our investments, it could impair the intangible assets and goodwill that we record as part of an acquisition, which could require us to record a reduction to the value of those assets. Such failure could adversely affect our business, prospects, financial condition and results of operations.

Our inability to take advantage of growth opportunities for our business or for our products, or to address risks associated with acquisitions or investments in businesses, may negatively affect our operating results. If we do complete these kinds of transactions, we cannot be sure that they will ultimately strengthen our competitive position or that they will not be viewed negatively by clients, securities analysts or investors. Although the CRE market remains highly fragmented, ongoing consolidation activity may limit our ability to find suitable acquisition targets. It is possible that irrational buyer behavior in the market could drive valuations higher than before, which can significantly impact our ability to close transactions on mutually favorable terms.

Industry Competition

Competing effectively against other CRE service, software and data analytics providers is an important driver of our growth. We compete against a variety of companies ranging from small local firms to large multi-national firms and an increasing number of new market entrants. Further, in recent years, there has been an increased volume of acquisitions and consolidation by and among our competitors, a trend we expect will continue into the foreseeable future. If any of our competitors implement new technologies before us, those competitors may be able to provide more effective solutions than ours at lower prices. Mergers or other strategic transactions involving our competitors or clients could also weaken our competitive position. These heightened competitive forces could impact our market share, sales, margins and pricing strategies which could result in a material adverse effect on our business, prospects, financial condition and results of operations.

Business Interruption Events

Unforeseen business interruption events, such as natural disasters, geopolitical crisis, threats of war or terrorism, civil unrest, public health crises, loss of IT systems and connectivity, loss of access to key business applications, data breach disruptions, and other catastrophic events outside of our control could disrupt our business operations or our third-party providers for prolonged periods of time, and depending on the severity, could adversely affect our business, prospects, financial condition and results of operations.

Third-Party Information

The quality of our databases supporting certain of our products and service engagements depends substantially on information provided by a number of external sources. Additionally, we increasingly rely on third-party providers and data sources to deliver our offerings on our platform. If we are unable to collect information from a significant number of these sources, or if there is any disruption to or interference with our use of these information sources, this could negatively impact certain of our products and our ability to deliver on client mandates, and may potentially result in subscriber cancellations and impair our ability to attract new users.

Cybersecurity

In the ordinary course of our business, we collect, store, process and/or transmit data belonging to clients, partners, vendors, employees and contractors as well as our own proprietary business information and intellectual property. Additionally, we rely on third-party data storage providers, including cloud storage solution providers, resulting in less direct control over certain of our data and system processing. The secure processing, maintenance and transmission of this information is critical to our workflow operations and the delivery of products and services to our clients. In respect of the June 13, 2021 cybersecurity incident, while we have implemented our cybersecurity and business continuity protocols and adopted additional measures to enhance the security of our IT systems to help detect and prevent future attempts or incidents of malicious activity, we are subject to a number of risks and uncertainties in connection with the incident. Such risks and uncertainties include regulatory investigation, lawsuits, or other potential liabilities resulting from the incident; costs related to the effectiveness of our mitigation and remediation efforts; our ability to recover proceeds under our insurance policies; the potential loss of client and other stakeholder confidence in our ability to protect their information; and the potential adverse financial impact such loss of confidence may have on our business. Despite the improved security measures we have implemented, our data, systems and infrastructure, or those of third-party providers, may be vulnerable to physical or electronic theft, fire, power loss, computer and telecommunication failures, cyber-attacks, viruses, worms or breaches due to employee error, malfeasance or other disruptions. Advances in computer capabilities, hacking techniques or other developments may result in a compromise or breach of the technology used to protect confidential information and we or our third-party providers may be unable to anticipate, timely identify or appropriately respond to such incidents. Servers may also be vulnerable to malware and similar disruptions resulting from unauthorized tampering with our and/or a third-party's computer systems, which could lead to a loss of critical data or the unauthorized disclosure of confidential information. In addition, an extended period of our employees working in a remote work environment due to the COVID-19 pandemic could introduce operational risks, including heightened cybersecurity risk. Security breaches could materially compromise our information, disrupt our business operations or cause us to breach our client obligations or confidence in us thereby exposing us to liability, reputational harm and/or significant remediation costs. The theft, loss, corruption, exposure, fraudulent use or misuse of client or employee information, whether by third parties or as a result of employee malfeasance, could result in significant remediation and other costs, fines, indemnity obligations, litigation or regulatory actions against us, as well as negatively impact our competitive position and affect our financial results.

Professional Talent

Our success, ability to grow, and ability to deliver on client mandates are, in part, dependent on the expertise, experience and efforts of our professionals, and our ability to attract, motivate and retain qualified professionals. Competition for employees with the qualifications we desire, particularly with CRE, CRE technology and information solutions experience, is intense and puts upward pressure on compensation costs. We expect that competition for qualified professionals will continue to increase, thereby causing compensation costs to escalate. Should we be unable to attract and retain professionals that meet the desired level of skills and ability, it could adversely impact our succession planning, revenues and profitability.

Our broad-based compensation program includes equity-based compensation including deferred share units, restricted share units, performance share units ("PSUs"), restricted shares and stock options, which are important tools to attract, motivate and retain employees

in our industry. If our share price performs poorly, or if our compensation program does not remain competitive, it may adversely affect our ability to attract, motivate and retain employees. We continually evaluate the effectiveness and competitiveness of our compensation program and its impact on the amount of equity-based compensation expense that we incur.

Cloud Transition

We are in a multi-year process of transitioning our Analytics on-premise software clients to a cloud environment under subscription contracts. Migrating our legacy on-premise clients to the cloud platform is core to our long-term strategy and has required considerable additional investments. If moving our clients to a cloud environment takes longer than we anticipate, or if clients do not adopt cloud licenses in the timeframe that we expect, our revenues and earnings may not achieve expected levels. Our ability to achieve our business and financial objectives through the transition is subject to uncertainties, including: client demand, renewal rates, our ability to further develop and scale infrastructure, our ability to develop new functionality that addresses client requirements, and our costs. If we fail to successfully manage our business model transition or are unsuccessful due to these uncertainties, our business, prospects, financial condition and results of operations could be adversely impacted.

Subscription Renewals

Although our software and data analytics solutions are designed to increase the number of clients that purchase our solutions as subscriptions and create a recurring revenue stream that increases and is more predictable over time, our clients are not required to renew their subscriptions for our solutions and they may elect not to renew when or as we expect. Client renewal rates may decline or fluctuate due to a number of factors, including offering pricing, competitive offerings, client satisfaction, reductions in client spending levels or client activity due to economic downturns, and other market uncertainty. If our clients do not renew their subscriptions when or as we expect, or if they renew on less favorable terms than expected, our revenues and earnings may be adversely impacted.

Sales Pipeline

Our forecast is built on a pipeline of client opportunities at varying stages within the sales process. Our ability to achieve the forecast is dependent on completion of the sales cycle and client acceptance of mutually agreeable terms. Certain factors are beyond our control, including our clients' evaluation of our offerings, budgetary constraints, timing of their approval processes, etc. Our pipeline of opportunities may not close on terms and/or timing in line with our forecast. This may have a material positive or negative effect on our anticipated revenues in any given period.

Enterprise Transactions

Our Analytics business is becoming more dependent on large enterprise transactions that have longer and less predictable sales cycles, which could have a positive or negative effect on the amount, timing and predictability of our revenue in any given period. The length of our sales cycles makes us susceptible to having pending transactions delayed or terminated by our clients for any reason, including global economic conditions.

Client Concentration and Loss of Material Clients

Although we are not dependent on one or a small number of clients, certain of our business segments have significant clients. The loss of any significant client that contributes a substantial portion to that business segments' revenues could have a negative impact on our revenues and could impact our ability to attract and retain other clients.

Product Enhancements and New Product Introductions

Our ability to generate future revenues from software is dependent upon meeting the changing needs of the CRE market and evolving industry standards through new product introductions and product enhancements that respond to the technological change of our clients and the CRE industry. As we launch product enhancements or introduce new products and capabilities, client adoption may not achieve anticipated levels and may impact our reputation and competitive position. If our new or existing offerings or enhancements and changes are not released on a timely basis to keep pace with technological developments or do not achieve adequate acceptance in the market, our competitive position will be impaired, and our revenue, business and financial results will be negatively impacted, particularly given the expenses we will have incurred in connection with the new offerings or enhancements. If cash flows from new products do not reach sufficient levels, asset impairments may need to be taken on any capitalized costs related to the development of the products.

Technology Strategy

Our business relies on the use of information technology systems to deliver expert services, data and software solutions to our clients. Our growing cloud solutions also require ongoing infrastructure investments. If we are unable to effectively implement our information technology strategies or adopt new technologies and technology-enabled processes relevant to our offerings in a timely or cost-effective manner, or if our employees fail to adopt in an effective and timely manner new technologies or technology-enabled processes, then our ability to deliver services and solutions that meet client needs or our ability to remain competitive in the market may be materially impaired. Further, if our technology investments do not yield the expected returns, our financial results and profitability could be impacted.

Intellectual Property

We rely on protecting our intellectual property rights including copyrights, trademarks, trade secrets, databases and methodologies, which have been important factors in maintaining our competitive position. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to obtain and use information that we regard as proprietary. Additionally, due to the differences in foreign trademark, patent and other intellectual property or proprietary rights laws, we may not receive the same protection in other countries as we would in Canada. Intellectual property protections may also be unavailable, limited or difficult to enforce in some countries, which could make it easier for competitors to capture market share. Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products or services infringe their intellectual property rights.

There can be no assurance that we will be successful in protecting or defending our proprietary rights and, if we are not, our business, financial condition, liquidity and results of operations could be materially adversely affected. Responding to such claims could result in substantial expense, damages, injunctive relief and/or diversion of our resources. We may also be required to indemnify clients pursuant to our indemnification obligations, enter into licensing agreements on unfavourable terms or redesign or stop selling affected products, which could materially disrupt the conduct of our business.

Property Tax Appeals and Seasonality

Our Property Tax practice is significantly influenced by property tax assessment regulators and their appeal settlement processes. The timing and volume of appeals processed and whether the outcomes are favourable may cause fluctuations on a quarterly and annual basis, in addition to spillover effects outside any particular valuation cycle. Additionally, we expect to experience typical quarterly variability in our financial performance of our Property Tax practice, including the second quarter being our seasonally strongest quarter. As experienced previously, these typical variations may cause some short-term disruption related to the anticipated timing of settlements. This may have a material positive or negative effect on our anticipated revenues, cash flow, operating results and profitability in any given period.

Legislative and Regulatory Changes

Changes to any of the laws, rules, regulations or policies affecting our business would have an impact on our business. Certain elements of our business are influenced by the regulatory environment of our clients, such as the requirement for pension fund managers to obtain property valuations on an annual basis. In addition, elements of our business, such as our Property Tax practice area, are significantly influenced by the regulatory regime and any changes thereto. Any change to laws, rules, regulations or policies may significantly and adversely affect our operations and financial performance.

Privacy and Data Protection

Privacy and security concerns, including evolving laws and regulations in these areas, could adversely affect our business and operating results. Our operations are used to transmit and store data, including some personal information. This information is increasingly subject to legislation and regulations in numerous jurisdictions around the world that are intended to protect the privacy and security of personal information as well as the collection, storage, transmission, use and disclosure of this information. The interpretation of privacy and data protection laws in a number of jurisdictions is constantly evolving. There is a risk that these laws may be interpreted and applied in conflicting ways from country to country. Many of these laws and regulations, including Canada's Personal Information Protection and Electronic Documents Act, and the General Data Protection Regulation (the "GDPR") contain detailed requirements regarding collecting and processing personal information, and impose certain limitations on how this information may be used, how long it may be stored, and the effectiveness of consumer consent. Certain laws and regulations, like the GDPR, also include restrictions on the transfer of personal information across jurisdictional borders. Since our products and services are accessible worldwide, certain foreign jurisdictions may claim that we are required to comply with these laws even in jurisdictions where we have no local entity, employees or infrastructure. Complying with these varying international requirements could cause us to incur additional costs and change our business practices. We could be adversely affected if laws or regulations are expanded to require changes in our products or business practices, if governmental authorities in the jurisdictions in which we do business interpret or implement their laws or regulations in ways that negatively affect our business or if clients or other parties allege that their personal information was misappropriated as a result of a defect or vulnerability in our products. This could reduce the demand for our products if we fail to design or enhance our products to enable our clients to comply with the privacy and security measures required in relevant jurisdictions. If we are required to allocate significant resources to modify our products or our existing security procedures for the personal information that our products transmit, our business, prospects, financial condition and results of operations may be adversely affected.

COVID-19 Pandemic

The COVID-19 pandemic has had, and may continue to have, a broad impact across industries and the economy, including impacts on our operations and business. We modified our business practices in response to the COVID-19 pandemic and we may take further actions as required by government authorities or that we determine are warranted. Even after the pandemic and related containment measures subside, we may continue to experience adverse impacts to our business. We cannot predict the future impacts of the ongoing COVID-19 pandemic or any new pandemic(s), including the extent of the impact on our employees and clients, and future disruptions arising from the ongoing COVID-19 pandemic and any new pandemic could have a materially adverse effect on our business, financial condition and results of operations. The effect of the COVID-19 pandemic and the related impact on the global economy may not be fully reflected in our results of operations until future periods and may negatively impact our ability to forecast our results. Further, volatility in the capital markets has been heightened during the COVID-19 pandemic and such volatility may continue, which may cause declines in the price of our Common Shares. To the extent that the COVID-19 pandemic or any new pandemic harms our business and results of operations, many of the other risks described in this "Risk Factors" section may be heightened.

Brand & Reputation

Maintaining and enhancing the recognition and reputation of our brands in a cost-effective manner is critical to our business and future growth. A number of factors, many of which are beyond our control, could influence this, including our ability to comply with ethical, social and environmental standards. Any actual or perceived failure in compliance with such standards could damage our reputation and brands. Brand promotion activities may not generate client awareness or increase revenues and, even if they do, any increase in revenues may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, or incur substantial expenses, we could have a material adverse effect on our brand reputation, employee retention/attraction, and client demand, which could adversely affect our business, prospects, financial condition and results of operations.

Fixed-Price and Contingency Engagements

A portion of our revenues comes from fixed-price engagements. A fixed-price engagement requires us to either perform all or a specified part of work under the engagement for a specified lump sum payment. Fixed-price engagements expose us to a number of risks not inherent in cost-plus engagements, including underestimation of costs, ambiguities in specifications, unforeseen or changed costs or difficulties, problems with new technologies, delays beyond our control, failures of subcontractors to perform and economic or other changes that may occur during the term of engagement. Increases in cost or a rise in inflation beyond expectations may severely impact our ability to maintain profitable fixed-price engagements. Increasing reliance and/or increases in the size of such engagements would increase the exposure to this risk. Economic loss under fixed-price engagements could have a material adverse effect on our business.

We are also engaged to provide services on a contingency basis at our Property Tax business, meaning that we receive our fees only if certain results are achieved. We may experience adverse financial effects from having devoted professional and other resources to a project, which, due to a failure to meet the contingency goals, are not recouped through fees.

Currency Fluctuations

Our reporting currency is the Canadian dollar. Our operations are primarily in Canada, the U.S., the U.K., Australia, and in various countries throughout Europe and Asia. Our exposure to foreign currency risk is primarily in the following areas:

- Profit (loss) generated by operations in foreign countries, which are translated into Canadian dollars using the average exchange rate;
- Net assets of foreign subsidiaries, which are translated into Canadian dollars using the period end exchange rate with any gains or losses recorded under accumulated other comprehensive income (loss) within shareholders' equity; and
- Non-Canadian dollar denominated monetary assets and liabilities, which are translated into Canadian dollars using the period end exchange rate with any gains or losses recorded through profit (loss).

Interest Rates

We are exposed to fluctuations in interest rates under our credit facilities. Significant increases in interest rates would cause our interest expenses to correspondingly increase and therefore have an adverse effect on our profitability.

Credit

We may be materially and adversely affected if the collectability of our trade receivables is impaired for any reason. In certain parts of our business, it is often common business practice to pay invoices over an extended period of time and/or at the completion of the project or upon receipt of funds. This practice increases the risk and likelihood of future bad debts.

Income Tax Matters

In the ordinary course of business, we may be subject to audits by tax authorities. While management anticipates that our tax filing positions will be appropriate and supportable, it is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income and taxes payable, may be reviewed and challenged by the authorities. If such challenge were to succeed, it could have a material adverse effect on our tax position. Further, the interpretation of and changes in tax laws, whether by legislative or judicial action or decision, and the administrative policies and assessing practices of tax authorities, could materially adversely affect our tax position.

Health and Safety Hazards

Our employees are sometimes required to attend client worksites. The activities at these worksites may involve certain operating hazards that can result in personal injury and loss of life. We have implemented health and safety policies and procedures, and provide the required employee health and safety training programs. Despite these programs, there can be no assurance that our insurance will be sufficient or effective under all circumstances or against all claims or hazards to which we may be subject or that we will be able to continue to obtain adequate insurance protection. A successful claim for damage, resulting from a hazard for which it is not fully insured, could adversely affect our results of operations.

Contractual Obligations

Our success depends largely on our ability to fulfill our contractual obligations and ensure client satisfaction. If we fail to properly define the scope of our work, communicate the boundaries or use of the advice and reports we provide, define the limits of our liability, satisfactorily perform our obligations, or make professional errors in the advice or services that we provide, clients could terminate projects, refuse payment for our services or take legal action for the loss or harm they suffer, thereby exposing us to legal liability, loss of professional reputation, enhanced risk of loss and/or reduced profits.

Legal Proceedings

From time to time, we are threatened with, or are named as a defendant in, or may become subject to various legal proceedings in the ordinary course of conducting our business, including lawsuits based upon professional errors and omissions. A significant judgment against us, or the imposition of a significant fine or penalty as a result of a finding that we have failed to comply with laws, regulations, contractual obligations or other arrangements or professional standards, could have a significant adverse impact on our financial performance and reputation. Should any indemnities made in our favor in respect of certain assignments fail to be respected or enforced, we may suffer material adverse financial consequences.

Regulatory Review

The commencement of any formal regulatory reviews or investigations could result in the diversion of significant management attention and resources and, if securities or other regulators determine that a violation of securities or other laws may have occurred, or has

occurred, the Company or its officers and directors may receive notices regarding potential enforcement action or prosecution and could be subject to civil or criminal penalties or other remedies. For example, the Company or its officers could be required to pay substantial damages, fines or other penalties, the regulators could seek an injunction against the Company or seek to ban an officer or director of the Company from acting as such, any of which actions would have a material adverse effect on the Company.

Insurance Limits

Management believes that our insurance program, including professional errors and omissions insurance coverage and directors' and officers' liability insurance coverage address all material insurable risks, provide coverage that is similar to that which would be maintained by a prudent operator of a similar business and are subject to deductibles, limits and exclusions, which are customary or reasonable given the cost of procuring insurance and current operating conditions. However, there can be no assurance that such insurance will continue to be offered on an economically affordable basis, that all events that could give rise to a loss or liability are insurable or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving our assets or operations. Additionally, an increase in the number or severity of claims could increase our insurance costs and jeopardize our ability to renew insurance coverage on favourable terms.

Dividend Payments

We are focused on creating sustainable shareholder value that generates long-term returns by targeting organic and accretive growth while providing quarterly dividend payments of \$0.15 per Common Share. Our ability to pay dividends is dependent on our operations and assets, and is subject to various factors including our financial performance, our obligations under applicable bank credit facilities, fluctuations in our working capital, the sustainability of our margins and our capital expenditure requirements.

Leverage and Financial Covenants

Our ability to pay dividends and make other payments or investments is subject to applicable laws and contractual restrictions contained in the agreements governing any indebtedness owed by us or our subsidiaries (including our bank credit facilities). The degree to which we are leveraged could have important consequences to our shareholders. For example, our ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; a significant portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing funds available for future operations; certain of our borrowings will be subject to variable rates of interests, which exposes us to the risk of increased interest rates; and we may be more vulnerable to economic downturns and be limited in our ability to withstand competitive pressures.

The bank credit facilities contain a number of covenants that limit or restrict, among other things, our ability to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and amalgamate or merge with other entities. In addition, the bank credit facilities contain certain financial covenants that require us to meet certain financial ratios and financial condition tests. Failure to comply with these covenants contained in the bank credit facilities could result in a default which, if not cured or waived, could result in the termination of credit facilities and the acceleration of the repayment of the relevant indebtedness. If repayments of indebtedness under the bank credit facilities were to be accelerated, there can be no assurance that other borrowings or equity financing will be available to us or available on acceptable terms, in an amount sufficient to fund our needs or, in an enforcement scenario, that our assets would be sufficient to repay in full the bank indebtedness. If we are unable to obtain financing on the expiration of the bank credit facilities or are unable to obtain financing on favourable terms, our ability to pay dividends would be adversely affected.

Share Price

Our Common Shares do not necessarily trade at prices determined by reference to the underlying value of our business and cannot be predicted. The market price of the Common Shares may be subject to significant fluctuations in response to variations in quarterly operating results and other factors. In addition, securities markets have experienced significant price and volume fluctuations from time to time in recent years that are often unrelated or disproportionately related to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of our Common Shares.

Capital Investment

The timing and amount of our capital expenditures indirectly affects the amount of cash available for investments, debt payments or dividend payments. Dividends may be reduced, or even eliminated, at times when we deem it necessary to make significant capital or other expenditures. Further, if we do not achieve the expected returns on our investments, it could adversely affect our business, prospects, financial condition and results of operations.

Equity and Debt Financings

We intend to continue to make investments to support our business growth and may require additional funds to support our growth objectives. This may require us to pursue equity, equity-linked or debt financings to secure additional funds. We are authorized to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as may be determined by the Board of Directors without shareholder approval, except as required by the TSX. The issuance of additional Common Shares may dilute the interests of current shareholders. Further, any debt financing that we may secure in the future could involve restrictive covenants and we may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business may be adversely affected.

Internal and Disclosure Controls

Any failure of our internal controls could have an adverse effect on our stated results of operations and harm our reputation. As a result, we may experience higher than anticipated operating expenses, as well as higher independent auditor fees during and after the implementation of these changes. If we are unable to implement any of the required changes to our internal control over financial reporting effectively or efficiently or are required to do so earlier than anticipated, it could adversely affect our operations, financial reporting and results of operations. If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be adversely impacted.

Environmental, Social and Governance (ESG) Matters

There is an increased expectation by various stakeholders to address social and environmental challenges, including climate change, human rights, racism and inequality, and to demonstrate exemplary governance in managing ESG risk. An inability to manage this risk can result in higher costs for capital, regulatory compliance and disclosures. Under current laws, making exaggerated or misleading claims or “greenwashing” creates legal and reputational risks. While we monitor ESG trends, ESG and climate-related litigation trends and regulatory investigations continue to rapidly evolve.

Further, reducing climate change and the environmental impacts of industry have become the subject of increased focus by stakeholders and governments. Environmental concerns may result in environmental taxes, charges, regulatory schemes, assessments or penalties that affect our clients, particularly those in sectors which are otherwise sensitive to climate change legislation and regulation. Our clients could suffer increased costs and decreased demand for their products and services, which could lead them to reduce costs and the use of our services.

Finally, rapid changes in client preferences and requirements for low-carbon and climate-resilient properties, ahead of our ability to deliver related solutions, could lead to client attrition and consequently lower revenues and profitability. Our operating costs could also increase marginally with increasing carbon pricing, should we fail to transition our operations to lower-carbon energy sources in time.

We are making dedicated efforts toward reducing our carbon footprint, creating insights that help our clients make sustainable choices, promoting social initiatives and implementing strong governance policies. However, there can be no assurance that we will be able to achieve all of our targets. In the unlikely event of the Company failing to meet its target or falling short of societal expectations, there could be a material adverse impact on our operations. This could be in the form of lost revenues, damage to our reputation, decreased attractiveness to investors, as well as significant operating costs.

War in Ukraine

We do not have any significant operations, clients, supplier relationships or employee relationships in either Ukraine or Russia. More broadly, the war in Ukraine is likely to have an impact on normal business operations of companies in many parts of Eastern Europe abutting Ukraine as those countries deal with the impacts of the war and the refugee influx as a result of the war. This disruption could impact clients of the Company who do business in that part of the world and may, in turn, impact such client demand.

The United States State Department has warned there could be an increased risk of cyber-security attacks to the networks and operations of companies operating from countries that have participated in sanctions against Russia. We have increased our own efforts to monitor our networks and information technology infrastructure for any signs of such attacks. Any such attack, if successful, could have a material impact on our ability to continue to deliver our products and services to our clients and the resulting revenue therefrom.

Dividends

The following table sets out the dividends on the Common Shares declared by the Company during 2022, 2021, 2020.

Record Date	Total Dividends per Common Share		
	2022	2021	2020
March 31	\$0.15	\$0.15	\$0.15
June 30	\$0.15	\$0.15	\$0.15
September 30	\$0.15	\$0.15	\$0.15
December 31	\$0.15	\$0.15	\$0.15
Total	\$0.60	\$0.60	\$0.60

Altus Group pays a quarterly dividend to shareholders as determined by the Board from time to time. Altus Group's dividend is subject to the discretion of the Board and may vary depending on, among other things, Altus Group's earnings, financial requirements, the satisfaction of certain customary covenants contained in the credit facilities documents, and/or the satisfaction of solvency tests imposed by the OBCA for the declaration of dividends.

Capital Structure

The authorized capital of Altus Group consists of an unlimited number of Common Shares and an unlimited number of preferred shares ("Preferred Shares") issuable in series. As at December 31, 2022, Altus Group had 45,439,879 Common Shares and no Preferred Shares issued and outstanding. The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares and Preferred Shares.

COMMON SHARES

Holders of Common Shares are entitled to one vote per share at meetings of shareholders of Altus Group, to receive dividends if, as and when declared by the Board and to receive a pro-rata share of the remaining property and assets of Altus Group upon its dissolution or wind-up, subject to the rights of shares having priority over the Common Shares.

PREFERRED SHARES

Our Preferred Shares may be issued in one or more series with each series to consist of such number of shares and to have such rights, privileges, restrictions and conditions as determined by the Board before the issuance thereof. Holders of Preferred Shares, except as required by law, are not entitled to vote at meetings of shareholders of Altus Group. The Preferred Shares rank ahead of the Common Shares and any other shares ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or wind-up of Altus Group, whether voluntary or involuntary, and may also be given such other preferences over the Common Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of any series of Preferred Shares.

Market for Securities

The Common Shares of Altus Group are listed for trading on the TSX under the symbol AIF. The following table sets out the price range and volume traded of the Common Shares on the TSX for each month during 2022.

Month	High (\$ per share)	Low (\$ per share)	Volume
January 2022	71.40	58.78	2,183,327
February 2022	61.51	47.39	3,181,141
March 2022	50.94	44.88	2,286,260
April 2022	51.94	44.70	3,032,996
May 2022	50.67	42.76	2,577,209
June 2022	49.15	41.27	1,364,043
July 2022	52.71	43.93	952,026
August 2022	58.01	50.84	1,827,518
September 2022	52.16	43.98	1,657,588
October 2022	49.68	44.28	1,400,693
November 2022	57.54	46.39	1,651,745
December 2022	55.35	50.25	1,194,953

Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

Typically, as a condition of the acquisition agreements we enter into, a portion of the equity consideration paid to vendors (in the form of Common Shares) is subject to certain escrow conditions for a specified period of time following closing of each acquisition transaction. These tend to be periods of two to four years, following which, assuming all conditions have been met or satisfied, the Common Shares are released to the vendor(s) and/or employee(s). All such escrowed shares are held by our escrow agent, TSX Trust Company.

We also grant restricted shares, which are purchased on the open market at the time of grant and vest up to three years from the date of grant, to our officers, employees and consultants from time to time, including as a portion of an individual's annual incentive award and for new hire, promotion or retention purposes.

The following table provides information about the Common Shares subject to escrow.

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	796,285	1.8%

- (1) In connection with the acquisition of One11, Common Shares subject to escrow are expected to be released on July 1, 2023, the fourth anniversary of the closing date, subject to compliance with certain terms and conditions, including covenants, representations and warranties contained in the definitive agreement.
- (2) In connection with the acquisition of PTA, Common Shares subject to escrow will be released equally over four years on each anniversary of the closing date (December 1, 2020), subject to continued employment of certain individuals with the Company and compliance with certain terms and conditions, including covenants, representations and warranties contained in the definitive agreement. Twenty-five percent of the Common Shares originally under escrow were released on each of December 1, 2021 and December 1, 2022.
- (3) In connection with the acquisition of Finance Active, Common Shares subject to escrow will be released over two- or three-year periods on each anniversary of the closing date (April 1, 2021), subject to compliance with certain terms and conditions, including covenants, representations and warranties contained in the definitive agreement. Certain of these Common Shares are also subject to continued employment of certain individuals over the escrow period. Approximately 44% of the Common Shares (which reflects certain Common Shares forfeited for failure to meet the release requirements) originally under escrow were released on April 1, 2022.
- (4) In connection with the acquisition of StratoDem Analytics, 50% of the Common Shares subject to escrow was scheduled to be released on the first anniversary of the closing date (May 4, 2021) and the remaining 50% is expected to be released equally at 25% on each of the second and third anniversaries of the closing date, subject to compliance with certain terms and conditions, including covenants, representations and warranties contained in the definitive agreement. Certain of these Common Shares are also subject to continued employment of certain individuals over the escrow period. Fifty percent of the Common Shares originally under escrow were released on May 4, 2022.
- (5) In connection with the acquisition of ArGil, Common Shares subject to escrow will be released equally over three years on each anniversary of the closing date (August 16, 2021), subject to continued employment of certain individuals and compliance with certain terms and conditions, including covenants, representations and warranties contained in the definitive agreement. One-third of the Common Shares originally under escrow were released on August 16, 2022.
- (6) Under the Restricted Share Plan, adopted in 2013, as amended, a portion of an employee's annual incentive award is granted in the form of restricted shares which do not vest until the third anniversary of the date of grant. At that time, the restricted shares are released, provided, subject to certain exceptions such as retirement, disability or death, the individual is employed with the Company at the time of release. If the employee resigns from the Company or is terminated for cause, the restricted shares are forfeited.
- (7) Under the Long-Term Incentive Restricted Share Plan (the "LTIRS Plan"), adopted in 2021, we have awarded grants in connection with new hires, promotions and for long-term retention purposes. Awards granted under the LTIRS Plan are generally not available until the third anniversary of the grant date. At that time, the restricted shares are released, provided, subject to certain exceptions such as retirement, the individual is employed with the Company at the time of release. If the employee resigns from the Company or is terminated for cause, the restricted shares are forfeited.
- (8) In connection with the acquisition of Reonomy, we established the Scryer Restricted Share Plan to grant restricted shares to employees and consultants of Scryer, Inc. shortly after the closing of the acquisition. Awards granted under the Scryer Restricted Share Plan are held in escrow with 50% of the restricted shares being released on each of the first and second anniversaries of the date of grant. Restricted shares are released, provided, subject to certain exceptions such as retirement, disability or death, the individual is employed with the Company at the time of release. If the employee resigns from the Company or is terminated for cause, the restricted shares are forfeited. Approximately 50% of the Common Shares (less the number of Common Shares forfeited for failure to meet the release requirements) originally under escrow were released in December 2022.
- (9) In connection with the acquisition of Rethink Solutions, Common Shares subject to escrow will 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 (May 1, 2022).

Directors and Officers

The following table sets out the directors and officers of Altus Group during 2022, their province/state and country of residence, the positions held by such directors and officers within Altus Group and the period during which they have exercised such mandate, and each of their principal and past occupations or employment during the past five years. The term of office for each of the directors of Altus Group expires at the time of the next annual meeting of shareholders. Additional information regarding the directors of Altus Group can be found in the Company's 2023 Management Information Circular, which is available on SEDAR at www.sedar.com.

Directors

Name, Province/State and Country of Residence	Director Since	Principal Occupations During the Past Five Years
Wai-Fong Au ⁽¹⁾ Surrey, United Kingdom	June 2022	Corporate Director
Angela L. Brown ⁽²⁾⁽³⁾ Florida, United States	June 2016	President and Chief Executive Officer of Moneris Solutions Corporation (a provider of payment processing solutions)
Colin J. Dyer ⁽²⁾⁽³⁾ Washington DC, United States	May 2019	Corporate Director
Tony Gaffney ⁽²⁾⁽⁴⁾ Ontario, Canada	June 2012	President and Chief Executive Officer of the Vector Institute for Artificial Intelligence (not-for-profit corporation focused on artificial intelligence research) Corporate Director
Michael J. Gordon Massachusetts, United States	September 2020	Chairman and Chief Executive Officer of ArisGlobal (a provider of software solutions for drug safety, clinical development, regulatory compliance and medical affairs) Chief Executive Officer of Altus Group Limited Chief Executive Officer of Callcredit Information Group
Anthony W. Long ⁽²⁾⁽⁴⁾ Texas, United States	May 2019	Co-Founder and Co-Managing Partner of CLX Ventures, LLC (a real estate and private equity firm) Global President of Client Care and Global President of Asset Services, CBRE Group, Inc.
Diane MacDiarmid ⁽³⁾⁽⁴⁾ Ontario, Canada	June 2012	Chief Talent Officer of QuadReal Property Group (a global real estate company)
Raymond Mikulich ⁽¹⁾⁽³⁾⁽⁴⁾ New York, United States	December 2013	Corporate Director Managing Partner of Ridgeline Capital Group, LCC (a real estate investment and consulting company)
Carolyn M. Schuetz ⁽¹⁾ Ontario, Canada	June 2022	Corporate Director Global Chief Operating Officer, Group Retail Banking & Wealth Management of HSBC Holdings plc
Janet P. Woodruff ⁽²⁾⁽⁴⁾ British Columbia, Canada	May 2015	Corporate Director

(1) As of January 1, 2023, Mr. Mikulich resigned from the Corporate Governance and Nominating Committee and the Human Resources and Compensation Committee, Ms. Au joined the Audit Committee and the Corporate Governance and Nominating Committee and Ms. Schuetz joined the Audit Committee and the Human Resources and Compensation Committee.

(2) Member of the Audit Committee.

(3) Member of the Corporate Governance and Nominating Committee.

(4) Member of the Human Resources and Compensation Committee.

Officers

Name, Province/State and Country of Residence	Principal Occupations During the Past Five Years
James V. Hannon ⁽¹⁾ Florida, United States	Chief Executive Officer President, Altus Analytics, Altus Group Limited Principal, Southpoint Strategies President, North America, Callcredit Information Group/Recipero, Inc.
Angelo Bartolini ⁽²⁾ Ontario, Canada	Chief Financial Officer
Camilla Bartosiewicz Ontario, Canada	Chief Communications Officer Vice President, Investor Relations, Altus Group Limited
Jorge Blanco New Jersey, United States	Chief Commercial Officer Chief Product Officer, Altus Group Limited Principal, Advisory, KPMG LLP
Kim Carter Ontario, Canada	Chief People Officer Senior Vice President, Human Resources of Maple Leaf Sports & Entertainment Ltd.
Ernest Clark London, England	Chief Marketing Officer Vice President, Marketing and Field Effectiveness, AmerisourceBergen Vice President, International Marketing, TransUnion
Terrie-Lynne Devonish Ontario, Canada	Chief Legal Officer & Corporate Secretary General Counsel, Staples Canada Chief Operating Officer, Aon Chief Compliance Officer, North America, Aon
Alex Probyn Hertfordshire, England	President, Global Property Tax UK President, Altus Expert Services, Altus Group Limited
David Ross Cheshire, England	Chief Information Officer Managing Director, Hometrack Data Systems, Ltd. Chief Technology Officer, TransUnion UK

(1) Effective April 1, 2022, James V. Hannon succeeded Michael J. Gordon as Chief Executive Officer.

(2) Effective January 1, 2023, Pawan Chhabra succeeded Angelo Bartolini as Chief Financial Officer.

Shareholdings of Directors and Officers

As of December 31, 2022:

- our directors and officers listed above, as a group, beneficially owned or controlled or directed, directly or indirectly 99,659 Common Shares, representing approximately 0.22% of the aggregate number of voting securities of the Company issued and outstanding; and
- 1,071,423 Common Shares were issuable to our directors and officers listed above, as a group, upon exercise of outstanding options and settlement of outstanding PSUs (for vested PSUs, reflecting actual amounts, and for unvested PSUs, assuming payout at 200% of target), representing approximately 2.36% of the aggregate number of voting securities of the Company issued and outstanding.

The foregoing information as to the shares beneficially owned, controlled or directed, directly or indirectly by the directors and officers of Altus Group which has been provided by each of the directors and officers is not within the direct knowledge of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of the knowledge of the Company:

- none of the directors or executive officers of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to a cease trade or order similar to a cease trade order or an order that denied the relevant company access to any

exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; and

- none of the directors or executive officers of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (a) is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

Certain directors and officers of the Company are engaged in and will continue to engage in activities outside the Company, and as a result, certain directors and officers of the Company may become subject to conflicts of interest. The OBCA provides that in the event that a director or officer has an interest in a contract or proposed contract or agreement, the director or officer shall disclose his or her interest in such contract or agreement and, in the case of directors, shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the OBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the OBCA.

As at the date hereof, the Company is not aware of any existing or potential material conflicts of interest between the Company and a director or officer of the Company.

Audit Committee

AUDIT COMMITTEE CHARTER

Our Board has approved a written charter for the Audit Committee which sets out its purpose, authority, function, membership, qualifications and responsibilities, the text of which is set out in Schedule “A” to this AIF. Our Company’s Audit Committee Charter is also available on our website at www.altusgroup.com under “Investors”.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is composed of the following independent directors: Janet P. Woodruff (Chair), Wai-Fong Au, Angela L. Brown, Colin J. Dyer, Tony Gaffney, Anthony W. Long and Carolyn M. Schuetz. Audit Committee members are appointed by the Board on an annual basis with a view to ensuring that the committee maintains an appropriate level of experience and financial literacy.

The Board, upon recommendation of the Corporate Governance and Nominating Committee has determined that each member of the Audit Committee is “financially literate” within the meaning of National Instrument 52-110 – *Audit Committees*. In considering whether a member of the Audit Committee is financially literate, the Board confirms the director’s ability to read a set of consolidated financial statements (including a balance sheet, income statement and cash flow statement), of a breadth and complexity similar to that of the Company’s consolidated financial statements. Janet P. Woodruff, the Audit Committee Chair, is considered a “financial expert” and was awarded the FCPA, FCA distinction. The FCPA, FCA distinction are awarded to those who have rendered exceptional services to the profession, or whose achievements in their careers or in the community have earned them accreditation and brought honor to the profession.

The members of the Audit Committee have the following general business experience and education that is relevant to the performance of their responsibilities.

Name	Education and Experience
Janet P. Woodruff (Chair)	Ms. Woodruff serves on the boards of Ballard Power Systems Inc., Capstone Infrastructure Corporation and Keyera Corp. Previously, as a consultant, she was acting Chief Executive Officer and interim Chief Financial Officer of Transportation Investment Corporation. Prior to that, Ms. Woodruff was Vice President and Special Advisor at B.C. Hydro and held senior executive roles at B.C. Transmission Corporation, Vancouver Coastal Health and Westcoast Energy. Ms. Woodruff holds a Honours Bachelor of Science from the University of Western Ontario and a Master of Business Administration from York University. She is a graduate of the Institute of Corporate Directors, Directors’ Education Program and is a Fellow Chartered Professional Accountant of British Columbia.
Wai-Fong Au	Ms. Au currently serves as Chair of the Risk and Capital Committee and Chair of the Outsourcing Committee of Markel International Insurance Company Ltd. and Markel Syndicate 3000, as Chair of the Audit Committee and Chair of the Risk Committee at Equifax Ltd., as Senior Independent Director and Chair of the Audit and Compliance Committee at Computershare Investor Services plc and as Chair of the Audit Committee and Chair of the Risk Committee at Ascot Lloyd, a Nordic Capital portfolio company. Previously, Ms. Au held senior positions for several leading financial services firms, including as Finance and Chief Operating Officer at Barclays, Finance Director at RSA, and Group Director of Finance and Actuarial at Hill Samuel. She also held several advisory roles for China Construction Bank, Accenture and multiple FinTech start-ups. Ms. Au holds a Master’s degree in Auditing and Management from the City, University of London, and is a Fellow of the Chartered Institute of Management Accountants.
Angela L. Brown	Ms. Brown is the President and Chief Executive Officer of Moneris Solutions Corporation. Previously, she served as Group Executive, Enterprise Development, Merchants & Acceptance, for MasterCard Worldwide. Ms. Brown also held senior banking positions over her 13-year career at the Canadian Imperial Bank of Commerce. Ms. Brown holds a Bachelor of Arts from the University of Toronto and a Master of Business Administration from the Schulich School of Business. She is also a graduate of the Institute of Corporate Directors, Directors’ Education Program, the NACD Director Professionalism Course, the Rotman School of Management’s Financial Literacy Program and holds a CERT Certificate in Cybersecurity Oversight from the Software Engineering Institute/Carnegie Mellon University. Ms. Brown also recently completed the Innovation Governance Program (Spring 2022) with the Council of Canadian Innovators.
Colin J. Dyer	Mr. Dyer was previously the Global President and Chief Executive Officer of Jones Lang LaSalle Incorporated. Prior to this, Mr. Dyer was Chief Executive Officer of WorldWide Retail Exchange and Chief Executive Officer of Courtaulds Textiles Limited (UK). He has also served as a member of the board of directors of Jones Lang LaSalle

and Northern Foods Limited (UK). Mr. Dyer holds a Bachelor of Science (Mechanical Engineering) from Imperial College in London, England and a Master of Business Administration from INSEAD in Fontainebleau, France.

Tony Gaffney

Mr. Gaffney is the President and Chief Executive Officer of the Vector Institute for Artificial Intelligence. He is a member of the Government of Canada Advisory Council on AI and serves on the OECD.AI network of experts (ONE.AI) task force for AI Compute and Climate Change. An internationally experienced CEO, Mr. Gaffney is a former member of the Global Executive Committee of Aon Hewitt and also served as the CEO of Aon Hewitt Canada. Prior to joining Aon Hewitt, Mr. Gaffney was a Managing Partner at Accenture, a global executive with MCI Telecommunications, President and Chief Executive Officer of BellNexxia, and Chief Executive Officer of BCE Emergis.

Mr. Gaffney is also an experienced Corporate Director (iNED) focused on governance with impact. He has served on boards including Loblaw's PC Financial, the Bishop Strachan School, the Toronto Region Board of Trade and the Toronto United Way Cabinet. He also led the "High Performance in the Boardroom" initiative; in collaboration with 30+ leading board chairs focused on the future of governance. He holds a Bachelor of Engineering (B.A.I) degree and M.A. from Trinity College Dublin, Ireland. Mr. Gaffney is a graduate of the Rotman Corporate Directors program (ICD.D).

Anthony W. Long

Mr. Long is a Co-Founder and Co-Managing Partner of CLX Ventures, LLC, a real estate development and private equity investment firm. He is currently a member of the board of directors of Highland Homes, a privately held Texas-based single family home builder. Additionally, Mr. Long is a member of the board of directors for Dottid, a start-up which provides process flow software for the leasing and asset management segments of the CRE industry. Prior to this, Mr. Long served as Global President of Asset Services and Chief Client Officer with CBRE Group, Inc. and in senior leadership positions with Trammell Crow Company, a subsidiary of CBRE. Mr. Long holds a Bachelor of Business Administration (Data Processing and Analysis) from the University of Texas at Austin and a Master of Business Administration from Harvard University.

Carolyn M. Schuetz

Ms. Schuetz serves as director and Chair of the Audit Committee of OakNorth Bank plc, UK and as a director of Equitable Bank. She was previously a director of HSBC Retirement Services Ltd, UK. Ms. Schuetz held numerous executive positions with HSBC, including Global Chief Operating Officer, Group Retail Banking & Wealth Management, Global Chief Operating Officer, Group Wealth Management, and Regional Head of Wealth Risk – Americas. She holds a Master of Business Administration from Stanford University's Graduate School of Business and a Bachelor of Mathematics and Information Systems from the University of Waterloo. Ms. Schuetz is a Chartered Professional Accountant.

EXTERNAL AUDITOR SERVICES

Our Audit Committee reviewed and approved the auditor's scope of work and budget for the year. All engagements of the auditor for non-audit and non-compliance tax services must be pre-approved by the Audit Committee. The table below presents the fees billed by Ernst & Young LLP for the fiscal years ended December 31, 2022 and December 31, 2021.

Type of Service	Year Ended December 31, 2022	Year Ended December 31, 2021
	(\$)	(\$)
Audit Fees ⁽¹⁾	1,387,208	2,085,995
Audit-Related Fees ⁽²⁾	230,191	-
Tax Fees ⁽³⁾	143,246	335,136
Other Fees ⁽⁴⁾	-	342,250
Total	1,760,645	2,763,381

(1) For professional services rendered for the audit and quarterly reviews of the Company's consolidated financial statements, acquisition-related procedures, involvement with registration statements and other filings with regulatory authorities, and fees associated to the review of financial accounting and reporting matters including consultations and procedures related to new accounting and audit matters impacting the consolidated financial statements.

(2) For professional services rendered in relation to statutory audits of certain of our subsidiaries in foreign jurisdictions outside of the scope of the audit of the Company's consolidated financial statements and other assurance services and procedures performed.

(3) For professional services rendered for tax compliance, tax advice and tax planning with respect to Canadian, U.S. and certain international jurisdictions; review of tax filings; assistance with the preparation of tax filings; and other tax related transaction services. The foregoing services are not related to the audit of the Company's consolidated financial statements.

(4) For professional services rendered for matters other than those described above, including other advisory services.

Other Information

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings to which Altus Group is a party to, or in respect of which, any of the property of Altus Group is the subject of, which is or was material to Altus Group during 2022, and Altus Group is not aware of any such legal proceedings that are contemplated. In the ordinary course of business, we are involved in legal claims and suits made both by and against us. In our opinion, none of the claims or suits currently pending against us is expected to have a material adverse effect on our financial position or exceed 10% of our current assets.

During 2022, there have not been any penalties or sanctions imposed against Altus Group by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against Altus Group, and Altus Group has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or officer or principal shareholder of Altus Group, or any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since January 1, 2020 that has materially affected or is reasonably expected to materially affect Altus Group.

TRANSFER AGENT AND REGISTRAR

TSX Trust Company acts as transfer agent and registrar of Altus Group. The register of transfers of each class of securities of Altus Group is located at TSX Trust Company's principal transfer office in Toronto, Ontario.

MATERIAL CONTRACTS

The Company is a party to an amended and restated credit agreement, dated June 28, 2022, among, *inter alios*, Altus Group Limited, Altus Group U.S. Inc. and Altus Group (UK) Limited, collectively as borrowers, and a syndicate of lenders, including the Bank of Montreal, acting as administrative agent for and on behalf of the lenders (the "**Credit Agreement**").

The Credit Agreement is comprised of a revolving term facility in the amount of \$550.0 million (the "**Revolving Credit Facility**") with certain provisions that allow the Company to increase the limit up to \$650.0 million. The Revolving Credit Facility matures on March 24, 2027, with an additional two-year extension available at our option, subject to certain conditions being satisfied. The Revolving Credit Facility has no scheduled principal payments prior to maturity.

As at December 31, 2022, the aggregate amount outstanding under the Revolving Credit Facility was \$319.6 million. In addition, we also have the option to request letters of credit facilities under the Revolving Credit Facility up to an aggregate face amount not to exceed \$10.0 million. As at December 31, 2022, we had a total of \$nil in outstanding letters of credit under the Revolving Credit Facility.

The Revolving Credit Facility is available by way of loans with interest rates or acceptable fees that are based on banker's acceptance rates, €STR rates, SOFR rates or SONIA rates, Canadian prime rates, or CDOR rates, plus a marginal interest rate from time to time in effect.

The Credit Agreement provides for guarantees by certain affiliates of the Company (the "**Credit Facility Guarantors**") and, together with the Borrowers, the "**Obligors**"). As security, the Obligors granted a first priority lien over all present and future personal (moveable) property of such Obligor. Altus Group also pledges all the shares it holds in the capital of Altus Group U.S. Inc. and Altus Group (UK) Limited and each of their direct subsidiaries. The Credit Agreement contains restrictive covenants in respect of the Obligors that are customary for credit facilities of this nature.

A copy of the Credit Agreement is available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

Ernst & Young LLP, our auditor, has been named as having provided an opinion on the consolidated financial statements for the year ended December 31, 2022. Ernst & Young LLP has advised that it is independent with respect to the Company in accordance with the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in our Management Information Circular dated March 20, 2023. Additional financial information is provided in our consolidated financial statements and management's discussion and analysis for the year ended December 31, 2022. Such documentation and additional information relating to Altus Group is available on SEDAR at www.sedar.com and on our website at www.altusgroup.com.

Schedule “A” – Audit Committee Charter

Purpose

The Audit Committee (the “**Committee**”) of the Corporation is appointed by the Board of Directors of the Corporation (the “**Board**”) to assist the Board in fulfilling its responsibilities of oversight and supervision of:

- the quality and integrity of the accounting and financial reporting practices and procedures of the Corporation;
- the adequacy of the internal accounting and financial reporting controls and procedures of the Corporation;
- the compliance by the Corporation with legal and regulatory requirements in respect of financial disclosure;
- the quality and integrity of the consolidated financial statements of the Corporation;
- the qualification, independence and performance of the Independent Auditor of the Corporation;
- the assessment, monitoring and management of the financial risks of the Corporation’s business (“**Risks**”); and
- any additional matters delegated to the Audit Committee by the Board.

In addition, the Committee provides an avenue for communication between the Independent Auditor, the Corporation’s Chief Financial Officer (“**CFO**”) and other Senior Management, other employees and the Board concerning matters relating to accounting, financial reporting, auditing and Risk management.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities.

Authority

In discharging its obligations, the Committee shall act in accordance with its fiduciary duties. In this regard, nothing in this Charter is intended to, or shall have the effect of, limiting or impairing the independent decision-making authority or responsibility of the Board as mandated by applicable law.

Delegation

The Committee’s responsibilities are the sole responsibility of the Committee and may not be delegated by the Board to a different committee without revisions to this Charter. The Committee may delegate work to one or more of its members, and such members must report to the Committee at its next scheduled meeting or as otherwise mandated.

Roles & Responsibilities

The Committee shall:

1. Independent Auditor

a. Selection and Compensation of Independent Auditor

Recommend to the Board:

- the Independent Auditor to be nominated for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Corporation (“**Independent Auditor**”); and
- the termination of the Independent Auditor; and
- the compensation of the Independent Auditor.

b. Audit Scope

Annually review and approve the objectives and general scope of the external audit (including the overall audit plan, the proposed timing and completion dates) and discuss the external audit with the Independent Auditor.

c. Oversight of Independent Auditor

Oversee and monitor the work of the Independent Auditor, the results of the external audit, and matters encountered in performing the audit, including with respect to the resolution of disagreements between Senior Management and the Independent Auditor regarding accounting and financial reporting.

d. Audit Deliverables

Review with the Independent Auditor the contents of its results package and the contents of its audit and review reports.

e. Pre-Approval of Audit Fees

Pre-approve, or establish procedures and policies for the pre-approval of, the engagement and compensation of the Independent Auditor in respect of the provision of all audit, audit-related, review or attest engagements required by applicable law.

f. Pre-Approval of Non-Audit Services

Pre-approve all non-audit services permitted to be provided by the Independent Auditor in accordance with applicable law and rules governing the Independent Auditor, provided that the Committee may pre-approve certain services within designated thresholds on an annual basis and further provided that the Committee may delegate to the Chair of the Committee, or such other member or members of the Committee that it deems appropriate, certain pre-approval authority provided that any such approval granted by such persons shall be reported at the next regularly scheduled meeting of the Committee.

g. Independent Auditor's Quality Control Procedures, Performance and Independence

Evaluate the quality control procedures, performance and independence of the Independent Auditor in carrying out its responsibilities, including obtaining and reviewing, at least annually, a report by the Independent Auditor describing:

- the firm's internal quality-control procedures;
- any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
- all relationships between the Independent Auditor and the Corporation confirming the Independent Auditor's of its independence from the Corporation, including a description of all matters that could have a bearing on its independence.

h. Staffing of Audit Team

Review the experience and qualifications of the Independent Auditor's audit team assigned to the audit of the Corporation and make annual recommendations to the Board as to the need (if any) for rotation of the Independent Auditor or the members of the Independent Auditor's audit team assigned to the audit of the Corporation.

i. Relationship between Independent Auditor and Management

Satisfy itself generally that there is a good working relationship between Senior Management and the Independent Auditor, and review:

- any management representations letters;
- the Independent Auditor's management letters and management's responses thereto;
- the Independent Auditor's schedule of unadjusted differences; and
- any other reports of the Independent Auditor.

j. Hiring from Independent Auditor

Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and any former Independent Auditor.

k. Evaluation of Independent Auditor

Conduct a periodic evaluation (taking into account Senior Management's opinion) of the Independent Auditor's qualifications, performance and independence, and present to the Board the Committee's conclusions. The evaluation must consider and assess independence, objectivity and professional skepticism, quality of the engagement team, and quality of communications and interactions with the Independent Auditor. While assessments should be completed annually, a comprehensive review should take place at least every five years.

2. Internal Controls

a. System of Internal Controls

Satisfy itself through review and discussion that Senior Management has established and is maintaining an adequate and effective system of internal control over financial reporting and is responding on a timely basis to any material weaknesses or significant deficiencies which have been identified, including by meeting with and reviewing reports of the Independent Auditor relating to the Corporation's internal controls.

b. Reports on Internal Controls

Review and assess:

- any concerns, weaknesses or deficiencies disclosed in connection with the interim and annual CEO and CFO certifications relating to the effectiveness of the Corporation's disclosure controls and procedures, internal control over financial reporting and significant changes in internal controls over financial reporting; and
- the Independent Auditor's management letter and whether recommendations have been acted on and, if not, the appropriateness of the reasons why they have not been acted on.

3. Accounting Matters

a. Significant Accounting Policies and Critical Estimates

Review and discuss with Senior Management and the Independent Auditor:

- the selection, use and application of, as well as proposed material changes to, significant accounting policies, principles, practices and related critical estimates and judgments in accordance with International Financial Reporting Standards ("IFRS"); and
- alternative IFRS treatments for policies and practices relating to material items, including the ramifications of such alternative disclosures or treatments and any recommended treatment,

to ensure that the significant accounting policies and practices adopted are appropriate and consistent with the Corporation's needs and applicable requirements.

b. Disagreements

Satisfy itself that there is an agreed course of action leading to the resolution of significant unsettled issues between Senior Management and the Independent Auditor that do not affect the audited financial statements (e.g., disagreements regarding correction of internal control weaknesses or the application of accounting principles to proposed transactions), if any.

c. Contingent Liabilities

Review all material contingent liabilities and the related accounting treatment, presentation and disclosure.

d. Related Party Transactions

Review all material related party transactions and the related accounting treatment, presentation and disclosure.

e. Off-Balance Sheet Transactions

Review all material off-balance sheet transactions and the related accounting treatment, presentation and disclosure.

f. Other Board Committee Reports

Receive and review reports from other board committees with regard to matters that could affect financial reporting.

g. Expense Reports

Review expense reports of the Chairman and Chief Executive Officer ("CEO"). Such authority may be delegated to the Chair of the Committee.

4. Financial Disclosures

a. Disclosure Controls

Satisfy itself that procedures are in place for the review of the Corporation's public disclosure to ensure consistent presentation of financial information extracted or derived from the Corporation's financial statements and assessing the adequacy of those procedures annually.

b. Approval of Disclosures

Meet to review and discuss the Corporation's financial statements with Senior Management and the Independent Auditor and recommend, where appropriate to do so, to the Board, prior to release, the adoption and dissemination of all financial statements of the Corporation, together with related Management's Discussion & Analysis ("MD&A") of Results of Operations and Financial Position, earnings press releases, Annual Information Form ("AIF") and all other public disclosure documents of the Corporation containing financial information of the Corporation.

c. Audit Committee Report

Prepare the Audit Committee report for inclusion in the Corporation's public disclosure documents in the form and at the time required by the laws, rules and regulations of applicable regulatory authorities.

d. Other Financial Information

Review and discuss financial information and earnings guidance provided to analysts and rating agencies. This review need not be done on a case-by-case basis but may be done generally (consisting of a discussion of the types of information disclosed and the types of presentations made) and need not take place in advance of the disclosure.

5. Risk Management

a. Financial Risk Management

Assess with Senior Management the Corporation's material exposure to Risks and the Corporation's actions to identify, monitor and mitigate such exposure.

Review quarterly reporting related to specific areas of Risks, including the following and such other risk areas as the Committee may determine:

- interest rate and currency hedging;
- leverage, liquidity and capital structure;
- corporate tax planning and review; and
- emerging risk issues and trends.

b. Insurance Coverage

Periodically review the adequacy of insurance coverages maintained by the Corporation.

c. Taxation

Periodically review the status of taxation matters of the Corporation.

d. Legal Matters

Review and assess the Corporation's General Counsel's summary of legal matters that may have a material impact on the financial statements, the Corporation's compliance with applicable laws and regulations and any material reports or inquiries received from regulators or governmental agencies.

6. Ethical Business Conduct

a. Code of Conduct

Monitor compliance with the Corporation's Code of Business Conduct and Ethics and the Corporation's policies and procedures regarding compliance with applicable laws and regulations; make recommendations to the Board, where appropriate, as to any waivers of compliance of such Code.

b. Whistleblower Procedures

Provide recommendations to the Corporate Governance and Nominating Committee and, as appropriate, the Board with respect to the implementation, operation and effectiveness of the Corporation's Whistleblower Policy as it relates to:

- the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls, and auditing matters; and
- the confidential, anonymous submission of complaints by employees of the Corporation regarding questionable accounting or auditing matters.

7. Reports to the Board

The Committee shall report to the Board on a regular basis and, in any event, before the public disclosure by the Corporation of its quarterly and annual financial results. The reports of the Committee shall include any issues of which the Committee is aware with respect to the quality or integrity of the consolidated financial statements of the Corporation, its compliance with legal or regulatory requirements, and the performance and independence of the Independent Auditor and changes in Risks.

Limitation of Audit Committee Role

The Committee is not responsible for:

- planning or conducting audits; or
- certifying or determining the completeness or accuracy of the Corporation's financial statements or that those financial statements are in accordance with IFRS.

Each member of the Committee shall be entitled to rely in good faith upon:

- financial statements of the Corporation presented to him or her by Senior Management or in a written report of the Independent Auditor to present fairly the financial position of the Corporation in accordance with IFRS; and
- any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

“Good faith reliance” means that the Committee member has considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided by Senior Management or the expert is reasonable. Generally, good faith reliance does not require that the member question the honesty, competence and integrity of Senior Management or the expert unless there is a reason to doubt their honesty, competency and integrity.

Size, Composition and Independence

1. Size

The members of the Committee shall be three or more individuals who are appointed (and may be replaced) by the Board on the recommendation of the Corporate Governance and Nominating Committee. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected, provided that if the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual election of directors. Any member of the Committee may be removed from the Committee by a resolution of the Board. Unless the Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the members of the Committee.

2. Independence

Each of the members of the Committee shall meet the Corporation’s Categorical Standard for Determining Independence of Directors.

3. Financial Literacy and Expertise

Each of the members of the Committee shall be “financially literate” (or acquire that literacy within a reasonable period after appointment) in accordance with applicable legislation and stock exchange requirements.

4. Limit on Outside Audit Committees

No member shall concurrently serve on the audit committee of more than three other public companies without the prior approval of the Committee, the Corporate Governance and Nominating Committee and the Board and their determination that such simultaneous service would not impair the ability of the member to effectively serve on the Committee (which determination shall be disclosed in the Corporation’s annual management information circular).

5. Independent Advisors

The Committee may retain and compensate such outside financial, legal and other advisors at the expense of the Corporation as it deems reasonably necessary to assist and advise the Committee in carrying out the Committee’s duties and responsibilities.

6. Role of Chair

The Chair of the Committee shall generally provide leadership to enhance the effectiveness of the Committee and act as the liaison between the Committee and the Board as well as between the Committee and Senior Management. The Chair shall also manage the Committee’s activities and meetings, manage any outside legal or other advisors retained by the Committee and manage the process of reporting to the Board on the Committee’s activities and related recommendations.

Committee Meeting Administration

1. Meetings

The Committee will meet as many times as is necessary to carry out its responsibilities but in no event will the Committee meet less than four times a year. Meetings will be at the call of the Chair. Notwithstanding the foregoing, the Independent Auditor or any member of the Committee may call a meeting of the Committee on not less than 48 hours’ notice. The notice period may be waived by a quorum of the Committee.

2. Committee Access to Employees and Others

The Committee shall periodically meet separately with Senior Management and the Independent Auditor and may request any member of the Corporation’s Senior Management or the Corporation’s outside counsel or Independent Auditor to attend

meetings of the Committee or with any members of, or advisors to, the Committee. The Committee may also meet with the investment bankers, financial analysts and rating agencies that provide services to, or follow, the Corporation.

3. Meeting Agendas

The Committee Chair shall establish a preliminary agenda for each Committee meeting. Any director or other person entitled to call a meeting may request items to be included on the agenda for any meeting.

4. Quorum

A quorum for meetings shall be a majority of the members of the Committee or such greater number as the Committee shall by resolution determine. The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution in writing signed by all the members of the Committee entitled to vote on that resolution at a meeting of the Committee. Each member (including the Chair) is entitled to one (but only one) vote in Committee proceedings.

Annual Evaluation

At least annually and more frequently at the request of the General Counsel, the Committee shall, in a manner it determines to be appropriate:

- perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter, to be reviewed with the Board; and
- review and assess the adequacy of this Charter and the position description for its Chair and recommend to the Board any changes to this Charter or the position description of the Chair that the Committee determines to be appropriate, except for minor technical amendments to this Charter authority for which is delegated to General Counsel, who will report any such amendments to the Board at its next regular meeting.



33 Yonge Street, Suite 500
Toronto, Ontario, Canada M5E 1G4

Telephone: (416) 641-9500
Website: www.altusgroup.com
Email: IR@altusgroup.com

