

Altus Group Reports Third Quarter 2022 Financial Results

Delivers 17% Revenue Growth, \$7 Million Increase in Profit, and 35% Adjusted EBITDA* Growth, Expanding Margins

TORONTO (November 10, 2022) - Altus Group Limited ("Altus" or "the Company") (TSX: AIF), an Intelligence as a Service provider to the global commercial real estate ("CRE") industry, announced today its financial and operating results for the third quarter ended September 30, 2022.

Q3 2022 Summary:

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

- Consolidated revenues were \$177.7 million, up 17.1% (18.1% on a constant currency* basis).
- Consolidated profit, in accordance with IFRS, was \$6.8 million, compared to a loss of (\$0.3) million.
- Consolidated earnings per share, in accordance with IFRS, was \$0.15 per share basic and diluted, compared to (\$0.01).
- Consolidated Adjusted EBITDA* was \$32.9 million, up 34.8% (33.6% on a constant currency basis).
- Adjusted EPS* was \$0.42, up 7.7% from \$0.39.
- Altus Analytics revenues were \$87.6 million, up 34.6% (34.8% on a constant currency basis), of which Over Time Revenues* were \$76.9 million, up 39.6% (40.1% on a constant currency basis), and Adjusted EBITDA was \$20.9 million, up 78.4% (75.8% on a constant currency basis) driving an Adjusted EBITDA margin* of 23.9%.
- Altus Analytics Bookings* totaled \$26.9 million, up 30.9% (27.9% on a constant currency basis). Recurring Bookings* were up 59.0% (54.5% on a constant currency basis).
- At the end of the third quarter, 55% of the Company's total ARGUS Enterprise ("AE") user base had been contracted on ARGUS Cloud (cloud adoption rate*).
- CRE Consulting revenues were \$90.3 million, up 4.0% (5.7% on a constant currency basis) and Adjusted EBITDA was \$21.9 million, down 2.7% (1.8% on a constant currency basis).
- As at September 30, 2022, bank debt was \$324.0 million and cash and cash equivalents were \$46.6 million (representing a funded debt to Adjusted EBITDA leverage ratio of 2.29 times, as such ratio is defined in the Company's credit facility agreement, or a net debt to Adjusted EBITDA leverage ratio* of 2.20 times).

**Altus Group uses certain non-GAAP financial measures such as Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EPS, constant currency, and net debt to Adjusted EBITDA leverage ratio, as well as supplementary financial measures and other measures such as Bookings, Recurring Bookings, Over Time Revenues, and cloud adoption rate. Since these measures are not standard measures under GAAP, they may not be comparable to similar measures reported by other entities. Refer to the "Non-GAAP and Other Measures" section for more information on each measure and a reconciliation of Adjusted EBITDA to Profit (Loss) and Adjusted Earnings (Loss) per Share to Profit (Loss).*

Jim Hannon, Chief Executive Officer of Altus said:

"Altus' strong third quarter financial performance demonstrates our ability to grow revenues and expand margins. Our 17% topline improvement marks the sixth consecutive quarter of double-digit growth. Additionally, the



impressive 35% increase in Adjusted EBITDA and the margin expansion reflects our progress to scale our operations more efficiently. Most noteworthy, Analytics Over Time revenues were up 40%, Recurring Bookings were up 59%, and Adjusted EBITDA margins improved by 590 basis points. With our unrelenting focus on client value and operational excellence, Altus remains very well positioned to drive long-term revenue growth and margin expansion.”

Summary of Operating and Financial Performance by Business Segment:

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

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



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

Q3 2022 Review

On a consolidated basis, revenues were \$177.7 million, up 17.1% (18.1% on a constant currency basis) and Adjusted EBITDA was \$32.9 million, up 34.8% (33.6% on a constant currency basis). Organic revenue* growth was 12.0% (13.2% on a constant currency basis). Adjusted EPS was \$0.42, up 7.7% from \$0.39 in the third quarter of 2021 (which included a lower weighted average number of shares outstanding).

Consolidated profit, in accordance with IFRS, was \$6.8 million, up from a loss of \$(0.3) million the same period in 2021. In addition to the higher Adjusted EBITDA, profit was impacted by restructuring costs related to the Company's 2022 global restructuring program, higher amortization of acquisition-related intangibles related to acquisitions, costs related to organizational and strategic initiatives, and losses on equity derivatives. This was partially offset by profit recognized from the Company's GeoVerra Inc. joint venture and unrealized gains due to foreign exchange. Profit also benefitted from lower acquisition and related transition costs for the integrations of previous acquisitions in the prior year which are largely complete.

Altus Analytics revenues increased to \$87.6 million, up 34.6% (34.8% on a constant currency basis). Organic revenue growth was 24.5% (25.0% on a constant currency basis). The acquisition of Reonomy represented 10.1% of the total 34.6% revenue growth. Adjusted EBITDA was \$20.9 million, up 78.4% (75.8% on a constant currency basis) driving an Adjusted EBITDA margin of 23.9%.

- Over Time Revenues were \$76.9 million, up 39.6% (40.1% on a constant currency basis). On an organic basis, Over Time Revenues were up 27.7% (up 28.2% on a constant currency basis). Sequentially, Over Time Revenues grew 8.5% (7.7% on a constant currency basis) from \$70.9 million in the second quarter of 2022. Over Time Revenues benefitted from strong performance across key solutions with robust customer expansion as well as new customer additions. While the majority of growth continues to come from North America, Altus Analytics also posted notable growth internationally, both in EMEA and APAC.
- Bookings in the third quarter were \$26.9 million, up 30.9% (27.9% on a constant currency basis). Organic Bookings* growth was 23.0% (20.1% on a constant currency basis). Recurring Bookings were up significantly, growing at 59.0% (54.5% on a constant currency basis).



- As at the end of the third quarter, 55% of Company's total AE user base had been contracted on ARGUS Cloud, consistent with Management's expectations.
- Adjusted EBITDA growth and margin benefitted from higher revenues, improving operating efficiencies, ongoing cost optimization efforts, and foreign exchange fluctuations.

CRE Consulting revenues increased to \$90.3 million, up 4.0% (5.7% on a constant currency basis) and Adjusted EBITDA was \$21.9 million, down 2.7% (1.8% on a constant currency basis).

- Property Tax revenues were \$60.7 million, up 3.9% (6.0% on a constant currency basis) and Adjusted EBITDA was \$17.8 million, down 4.5% (3.5% on a constant currency basis). Most of the revenue growth was organic with both the U.S. and Canadian Property Tax operations up in the double-digits, offset by a decline in the U.K. which continues to be impacted by the slowed cadence of settlement volumes and foreign currency headwinds. The U.K. pipeline of cases to be settled in upcoming quarters remains robust.
- Valuation and Cost Advisory revenues were \$29.5 million, up 4.4% (5.2% on a constant currency basis) and Adjusted EBITDA was \$4.1 million, up 5.6% (6.6% on a constant currency basis), benefitting from moderate growth at both businesses, as well as a lower compare in the same period last year which included the impact of the cybersecurity incident.

Corporate Costs were \$9.9 million, compared to \$9.8 million in the same period in 2021. The decrease in corporate costs reflects lower consulting fees for professional advisory.

Beginning in the first quarter of 2022, Altus initiated a global restructuring program which resulted in additional restructuring costs of \$8.0 million in the third quarter. More than half of that related to the Company's ongoing efforts to rationalize its leased office space in certain markets, and the remainder related to employee severance costs reflecting synergies from acquisitions, efficiencies gained from investments in technology, and the ongoing evolution of the Company's target operating models in support of its strategic initiatives. The program has resulted in \$21.9 million of restructuring costs for the nine-month period and is expected to continue until the end of the year.

As at September 30, 2022, bank debt was \$324.0 million and cash and cash equivalents were \$46.6 million (representing a funded debt to Adjusted EBITDA leverage ratio of 2.29 times, as such ratio is defined in the Company's credit facility agreement, or a net debt to Adjusted EBITDA leverage ratio of 2.20 times).

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



Q3 2022 Results Conference Call & Webcast

Date:	Thursday, November 10, 2022
Time:	5:00 p.m. (ET)
Webcast:	altusgroup.com (under Investor Relations)
Live Call:	1-800-319-4610 (toll-free North America) or 416-915-3239 (Toronto area)
Replay:	available via webcast at altusgroup.com

About Altus Group

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

Non-GAAP and Other Measures

Non-GAAP Financial Measures

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

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

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



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

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

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

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

Other Measures

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

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

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

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



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

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

Forward-Looking Information

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

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that we identified and applied in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to: engagement and product pipeline opportunities in Altus Analytics will result in associated definitive agreements; continued adoption of cloud subscriptions by our customers; retention of material clients and bookings; sustaining our software and subscription renewals; settlement volumes in the Property Tax business occurring on a timely basis and assessment authorities processing appeals in a manner consistent with expectations; successful execution of our business strategies; consistent and stable economic conditions or conditions in the financial markets; consistent and stable legislation in the various countries in which we operate; consistent and stable foreign exchange conditions; no disruptive changes in the technology environment; opportunity to acquire accretive businesses and the absence of negative financial and other impacts resulting from strategic investments or acquisitions on short term results; successful integration of acquired businesses; and continued availability of qualified professionals. Projections may also be impacted by macroeconomic factors, in addition to other factors not controllable by the Company. Altus Group has also made certain macroeconomic and general industry assumptions in the preparation of such forward-looking statements. Not all factors which affect the forward-looking information are known, and actual results may vary from the projected results in a material respect, and may be above or below the forward-looking information presented in a material respect.

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

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



as those described in our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2021 and Management's Discussion and Analysis for the year ended December 31, 2021 (which are available on SEDAR at www.sedar.com).

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

FOR FURTHER INFORMATION PLEASE CONTACT:

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

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

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



Interim Condensed Consolidated Balance Sheets As at September 30, 2022 and December 31, 2021 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

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



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

(Expressed in Thousands of Canadian Dollars)

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



Reconciliation of Adjusted EBITDA to Profit (Loss)

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

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

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

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

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

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

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



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

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

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

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

⁽²⁾ Refer to the Non-GAAP and Other Measures section above for the definition of Adjusted EPS.