Altus Group

Q1 2023 Earnings Call & Webcast

TSX: AIF | May 4, 2023

Forward-looking information & statements

Certain information in this presentation may constitute “forward-looking information” within the meaning of applicable securities legislation. All information contained in Management’s Discussion and Analysis for the period ended March 31, 2023 (‘MD&A’), other than statements of current and historical fact, is forward-looking information. Forward-looking information includes, but is not limited to, the discussion of our business, 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; the Canadian multi-residential market; 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 well as those described in our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2022 (which are available on SEDAR at www.sedar.com).

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 the MD&A and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, our financial or operating results, or our securities.

Certain information in this presentation, including sections entitled “Business Outlook”, may be considered as “financial outlook” within the meaning of applicable securities legislation. The purpose of this financial outlook is to provide readers with disclosure regarding Altus Group’s reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

Non-GAAP and other measures

We use certain non-GAAP financial measures, non-GAAP ratios, total of segments measures, capital management measures, and supplementary and other financial measures as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure (“NI 52-112”). We believe that these measures may assist investors in assessing an investment in our shares as they provide additional insight into our 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. These measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS.

Please refer to the Company’s most current MD&A or the Appendix of this presentation for a full list and definitions of the non-GAAP and other financial measures referred in this presentation.

Financial update

Q1 2023

Pawan Chhabra
Chief Financial Officer

Consolidated Q1 2023 performance

$ CAD Millions	Q1 2023	Q1 2022	Year-over-year change As Reported	CC*
Revenues	**$190.8**	$167.6	▲ 13.9%	▲ 10.9%
Profit (Loss)	**$(2.4)**	$(11.5)	▲ 78.9%	
Basic EPS	**$(0.05)**	$(0.26)	▲ 80.8%	
Diluted EPS	**$(0.05)**	$(0.26)	▲ 80.8%	
Adjusted EBITDA*	**$26.5**	$17.7	▲ 49.5%	▲ 43.0%
Adjusted EBITDA margin*	**13.9%**	10.6%	▲ 330 bps	
Adjusted EPS*	**$0.33**	$0.27	▲ 22.2%	
Net cash provided by (used in) operating activities	**$(31.0)**	$(7.2)	▼ (330.3)%	
Free Cash Flow*	**$(34.4)**	$(9.7)	▼ (254.6)%	

8 consecutive quarters of **double-digit** topline growth

3 consecutive quarters of **margin expansion**

** Non-GAAP and other financial measure | CC = Constant Currency*

AltusGroup

Growing revenues & expanding margins at Analytics

Q1 2023:

		As reported	CC
Revenue	$94.6M	▲ **17.8%**	▲ **12.3%**
Recurring Revenue*	$85.3M	▲ **25.4%**	▲ **19.5%**
Adjusted EBITDA	$20.2M	▲ **80.0%**	▲ **65.8%**
Adjusted EBITDA margin*	21.4%	▲ **740** bps	

All growth rates are presented on a y/y view; all Analytics revenue is Organic Revenue*

** Non-GAAP and other financial measure | CC = Constant Currency*

AltusGroup

Growing Analytics recurring revenue base

Q1 2023:

▲19%

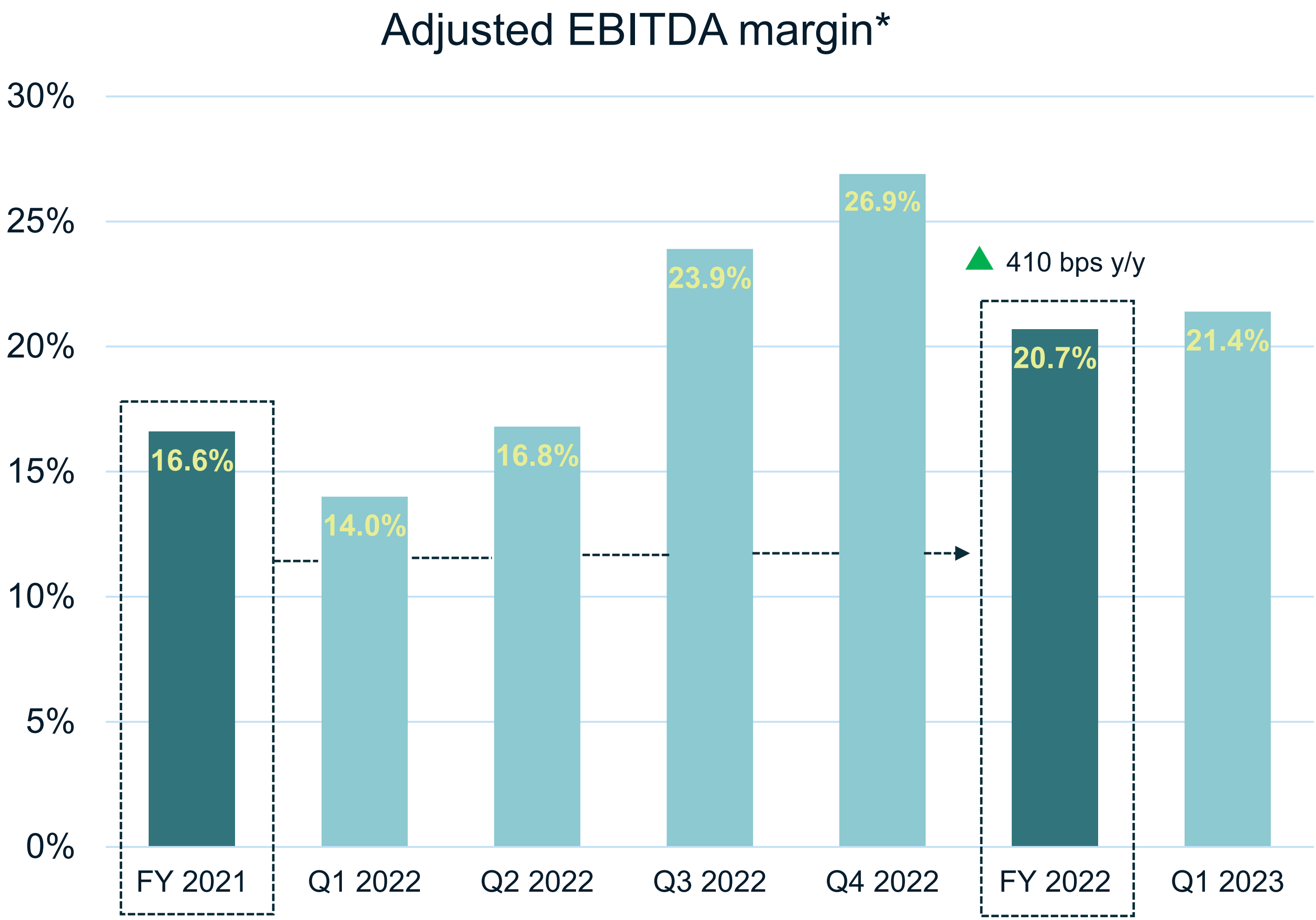
(y/y, CC)

+90% of Analytics revenues are recurring

* Non-GAAP and other financial measure | CC = Constant Currency

AltusGroup

Expanding Analytics margins



Q1 2023:

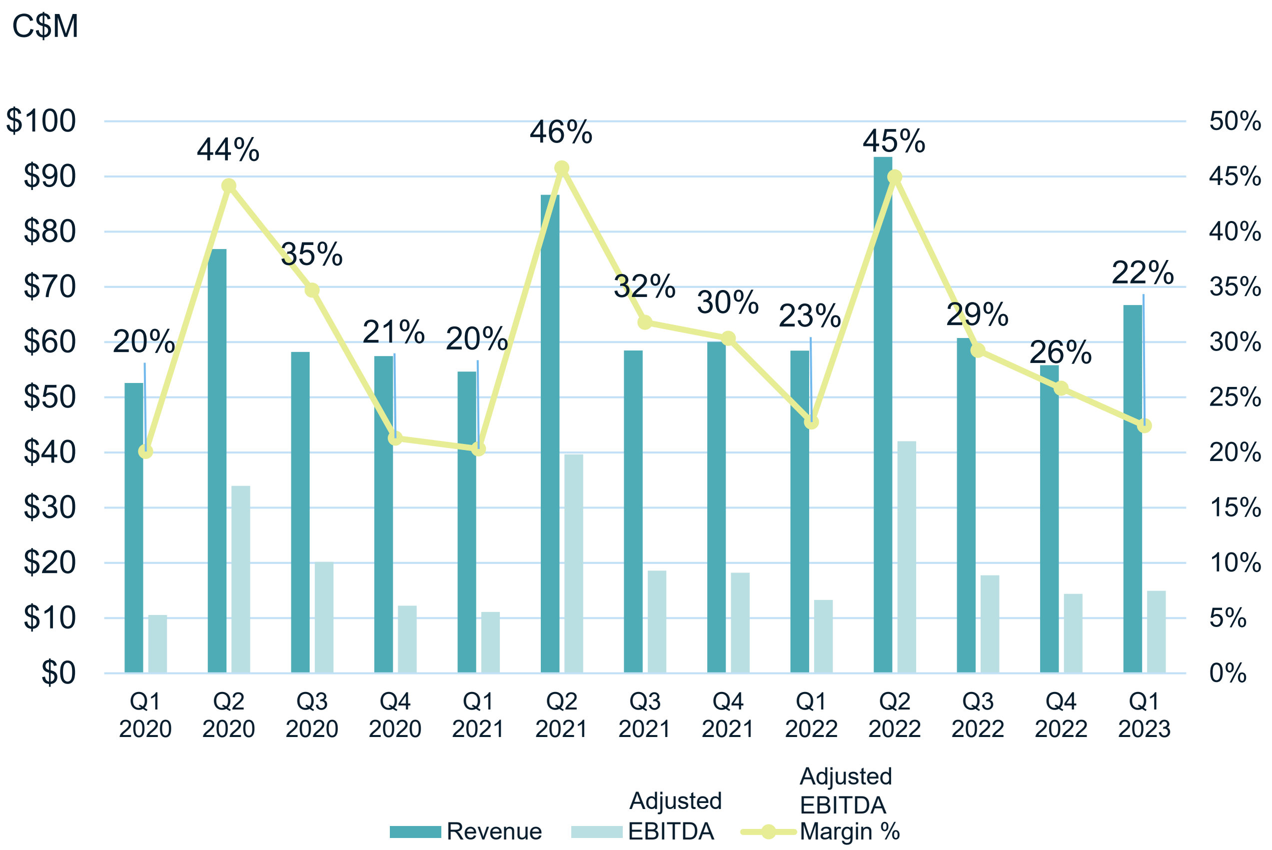
21%

Adjusted EBITDA margin*

▲ **740** bps y/y

* Non-GAAP and other financial measure

Property Tax performance



Q1 2023:

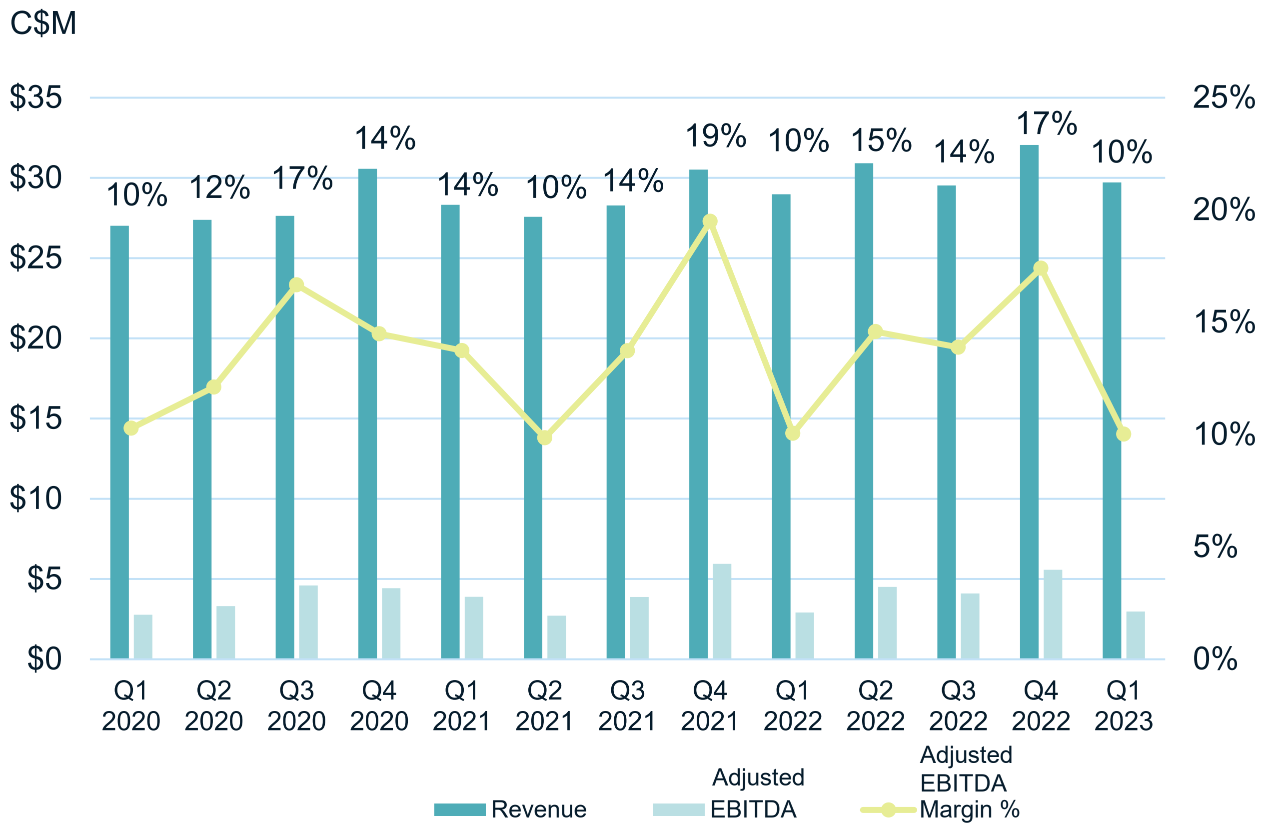
		As reported	CC
Revenue	$66.7M	▲ **14.1%**	▲ **13.2%**
Adjusted EBITDA	$15.1M	▲ **13.3%**	▲ **14.1%**
Adjusted EBITDA margin*	22.6%	▼ **20** bps	

All growth rates are presented on a y/y view

* Non-GAAP and other financial measure | CC = Constant Currency

AltusGroup

Appraisals & Development Advisory performance



Q1 2023:

		As reported	CC
Revenue	$29.7M	▲ **2.5%**	▲ **2.3%**
Adjusted EBITDA	$3.0M	▲ **2.2%**	▲ **2.3%**
Adjusted EBITDA margin*	10.0%	▼ **10** bps	

All growth rates are presented on a y/y view

** Non-GAAP and other financial measure | CC = Constant Currency*

AltusGroup

Healthy balance sheet enables continued investment in growth

$42.9 M	CASH POSITION
2.21x	FUNDED DEBT TO EBITDA RATIO
$350.1	BANK DEBT
2.13x	NET DEBT TO ADJUSTED EBITDA RATIO*

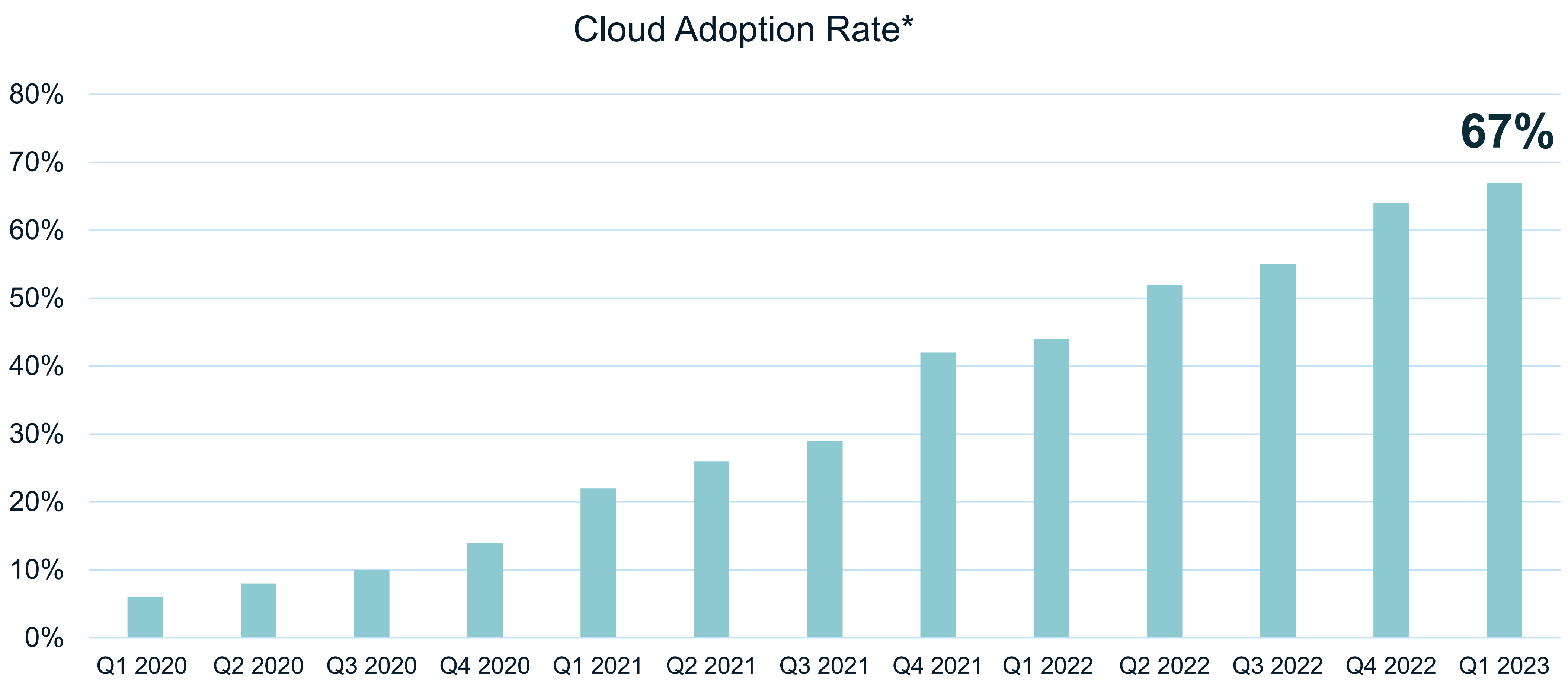
* Non-GAAP and other financial measure | All figures are as at March 31, 2023

Operational update

Q1 2023

Jim Hannon
Chief Executive Officer

Steady ARGUS Cloud adoption



* Non-GAAP and other financial measure

Adding new bookings at Analytics

Q1 2023:

▼ 28%

Total New Bookings*

(y/y, CC)

▼ 31%

Recurring New Bookings*

(y/y, CC)

New Bookings includes new signed contracts and additional solutions and services added by existing customers. The contract value of renewals is excluded, with the exception of additional capacity or products purchased at the time of renewal.

** Non-GAAP and other financial measure | CC = Constant Currency*

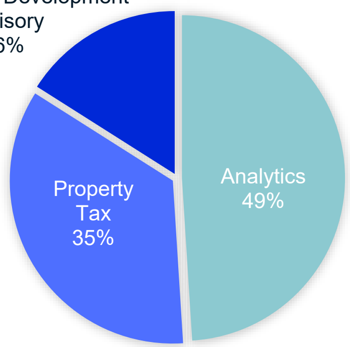
AltusGroup

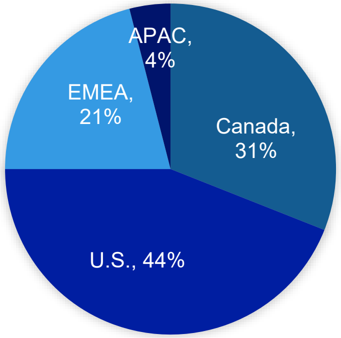
Positive client engagement at Altus Connect

Promotional video: https://youtu.be/LKM58nDxJmA

Resilient business model provides stability

Diversified revenue base





Trusted by the largest CRE leaders

Equity Investors | Debt Investors | Valuers & Appraisers | Banks

Developers | Corporates | Brokers

Proven stability across various economic cycles

ANALYTICS

- +90% of revenues are recurring, supported by a sticky customer base & low churn
- Mission critical solutions for performance and risk transparency (ARGUS as the "currency" of CRE valuations as properties change hands)
- Limited SMB exposure (large, global firms account for majority of revenues) & model <u>not</u> based on CRE transactional volumes

CRE CONSULTING

- Supported by highly-repeatable revenue streams and strong client loyalty
- Property Tax is countercyclical as tax liabilities remain; tax savings provide upside in a contingency model & market dislocations enhance tax appeal opportunities in future reassessments
- Appraisal requirements unaffected by market conditions, and development advisory services are diversified by client segments and supported by multi-year contracts

- Market volatility as potential catalyst for tech adoption and outsourced expertise (aligned with Altus' alpha-beta value proposition)

Expense levers

- 2022 restructuring program & business transformation initiatives provide sustainable improvements & expense levers to navigate in a dynamic global business environment

Well positioned for sustained growth in 2023

BUSINESS OUTLOOK

	FY 2023 PERFORMANCE EXPECTATIONS
CONSOLIDATED	• Sustained Revenue & Adjusted EBITDA* growth
ANALYTICS	• Double-digit revenue growth and expanded Adjusted EBITDA margin*
PROPERTY TAX	• U.K. annuity Revenue stream resets in 2023; cyclicality to cause Revenue and Adjusted EBITDA to be below 2022 levels as growth from other markets not expect to fully offset the impact
APPRAISALS & DEVELOPMENT	• Modest single-digit revenue & Adjusted EBITDA growth

On an organic, Constant Currency basis over full year 2022

Disclaimer:

Forecasting future results or trends is inherently difficult for any business and actual results or trends may vary significantly. The discussion of our expectations relating to the business outlook in this section is forward-looking information that is based upon the assumptions and subject to the material risks discussed under the heading "Forward-Looking Information Disclaimer"

** Non-GAAP and other financial measure*

Question period

For additional inquiries please email IR@altusgroup.com

AltusGroup

Appendix

Notable disclosure changes

BUSINESS NOMENCLATURE CHANGES:

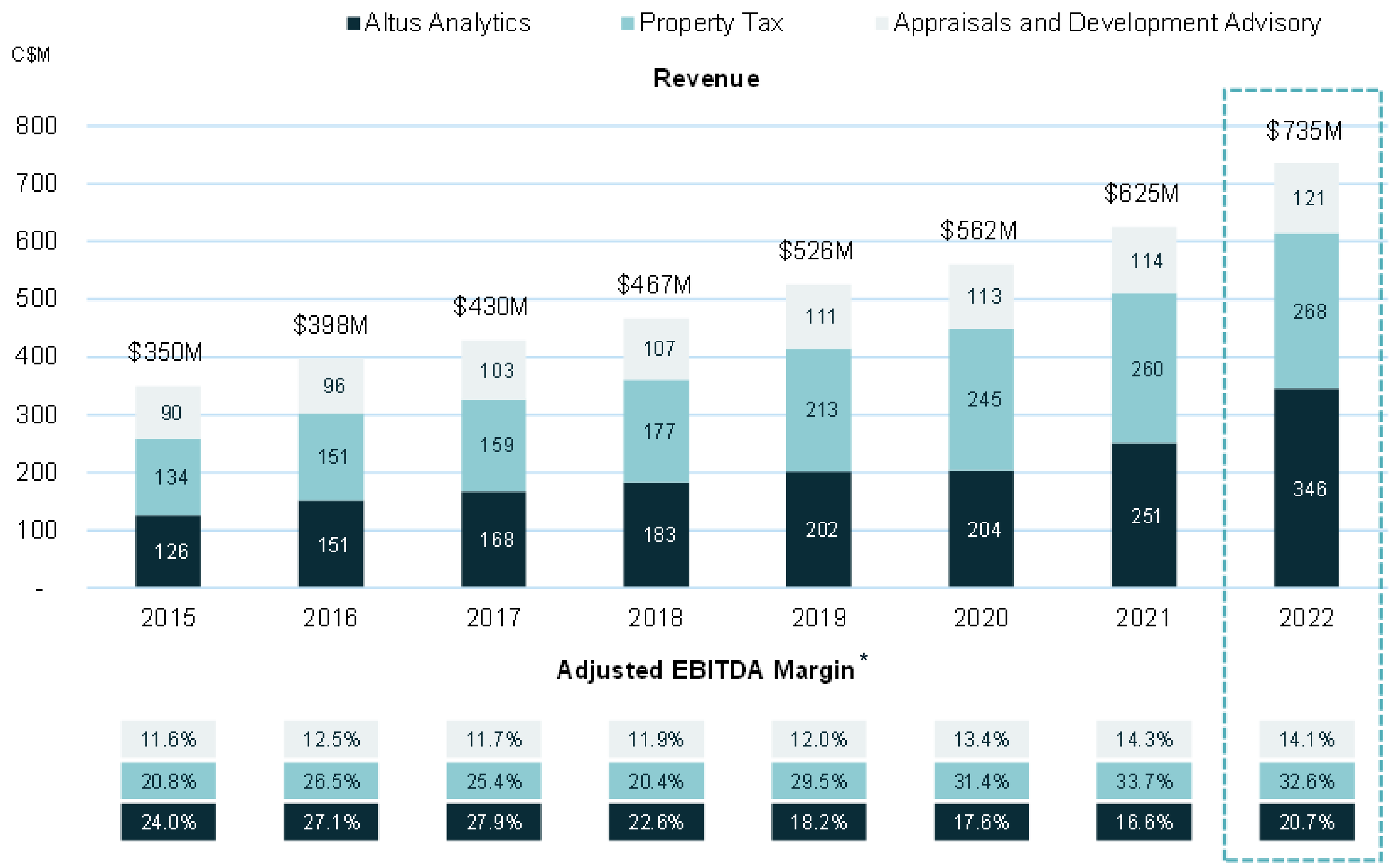
Introduced in 2022 Annual Report published in February 2023

Legacy		New
Over Time Revenues	=	Recurring Revenue
Bookings	=	New Bookings *(now includes split between Recurring & Non-Recurring)*
Altus Analytics	=	Analytics
Valuation & Cost Advisory	=	Appraisals & Development Advisory
Appraisal management services	=	Valuation Management Solutions

Reflects more conventional labels that more accurately describe the metric in line with its existing definition

No changes to how we account for each metric; reconciles with the legacy reporting of that metric

Steady profitable revenue growth



* Non-GAAP and other financial measure

AltusGroup

2023 strategic priorities

With a strong foundation in place, we're moving from business transformation to scaling profitable growth

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

SUCCESS MEASURES

- Revenue growth
- Continued New Bookings growth
- Adjusted EBITDA Margin expansion
- Adjusted EPS growth
- Maximized Free Cash Flow
- Employee retention

Selected financial information

Selected Financial Information	Quarter ended March 31,	
In thousands of dollars, except for per share amounts	**2023**	2022
Revenues	$ 190,824	$ 167,584
Canada	31%	31%
U.S.	44%	43%
EMEA	21%	21%
Asia Pacific	4%	5%
Adjusted EBITDA*	$ 26,528	$ 17,741
Adjusted EBITDA margin*	13.9%	10.6%
Profit (loss)	$ (2,413)	$ (11,456)
Earnings (loss) per share:		
Basic	$(0.05)	$(0.26)
Diluted	$(0.05)	$(0.26)
Adjusted*	$0.33	$0.27
Dividends declared per share	$0.15	$0.15
Funded debt to EBITDA ratio	2.21:1	2.60:1
Net debt to Adjusted EBITDA leverage ratio*	2.13:1	2.37:1
Free Cash Flow*	$ (34,414)	$ (9,705)

** Non-GAAP and other financial measure*

Reportable segment performance

Revenues				Quarter ended March 31,
In thousands of dollars	**2023**	2022	% Change	Constant Currency % Change
Analytics	$ 94,644	$ 80,310	17.8%	12.3%
Property Tax	66,684	58,468	14.1%	13.2%
Appraisals and Development Advisory	29,712	28,981	2.5%	2.3%
Intercompany eliminations	(216)	(175)	(23.6%)	(22.9%)
Total	$ 190,824	$ 167,584	13.9%	10.9%

Adjusted EBITDA				Quarter ended March 31,
In thousands of dollars	**2023**	2022	% Change	Constant Currency % Change
Analytics	$ 20,212	$ 11,231	80.0%	65.8%
Property Tax	15,072	13,307	13.3%	14.1%
Appraisals and Development Advisory	2,978	2,914	2.2%	2.3%
Corporate	(11,734)	(9,711)	(20.8%)	(17.6%)
Total	$ 26,528	$ 17,741	49.5%	43.0%

** Non-GAAP and other financial measure*

Reconciliation of Profit (Loss) to Adjusted EBITDA and Adjusted Earnings

	Quarter ended March 31,	
In thousands of dollars, except for per share amounts	**2023**	2022
Profit (loss) for the period	$ (2,413)	$ (11,456)
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 (1)	(3,002)	(3,183)
Depreciation of right-of-use assets	2,911	3,204
Depreciation of property, plant and equipment and amortization of intangibles (7)	12,461	12,279
Acquisition and related transition costs (income)	177	1,861
Unrealized foreign exchange (gain) loss (2)	435	610
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles (2)	(2)	(13)
Share of (profit) loss of joint venture	(506)	(606)
Non-cash share-based compensation costs (3)	5,833	4,620
(Gain) loss on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs (3)	(572)	2,441
Restructuring costs (recovery)	813	8,356
(Gain) loss on investments (4)	(413)	(166)
Other non-operating and/or non-recurring (income) costs (5)	4,525	504
Finance costs (income), net - leases	371	497
Finance costs (income), net - other (8)	6,374	1,479
Income tax expense (recovery) (9)	(464)	(2,686)
Adjusted EBITDA	$ 26,528	$ 17,741
Depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses (7)	(2,990)	(1,847)
Finance (costs) income, net - other (8)	(6,374)	(1,479)
(Gain) loss on hedging transactions, including currency forward contracts and interest expense (income) on swaps	1,208	-
Interest accretion on contingent consideration payables	-	6
Tax effect of adjusted earnings (loss) adjustments (9)	(3,214)	(2,465)
Adjusted earnings (loss)*	$ 15,158	$ 11,956
Weighted average number of shares - basic	45,012,311	44,170,613
Weighted average number of restricted shares	562,663	680,772
Weighted average number of shares - adjusted	45,574,974	44,851,385
Adjusted earnings (loss) per share (6)	$0.33	$0.27

(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 quarter ended March 31, 2023 relate to legal, advisory, and other consulting costs related to organizational and strategic initiatives. These are included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).
(6) Refer to page 4 of the MD&A for the definition of Adjusted EPS.
(7) For the purposes of reconciling to Adjusted Earnings (Loss), the amortization of intangibles of acquired businesses is adjusted from Profit (loss) for the period. Per the quantitative reconciliation above, we have added back depreciation of property, plant and equipment and amortization of intangibles and then deducted the depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses to arrive at the amortization of intangibles of acquired businesses.
(8) For the purposes of reconciling to Adjusted Earnings (Loss), the interest accretion on contingent consideration payables and (gains) losses on hedging transactions and interest expense (income) on swaps is adjusted from Profit (loss) for the period. Per the quantitative reconciliation above, we have added back finance costs (income), net – other and then deducted finance costs (income), net – other prior to adjusting for interest accretion on contingent consideration payables and (gains) losses on hedging transactions and interest expense (income) on swaps.
(9) For the purposes of reconciling to Adjusted Earnings (Loss), only the tax impacts for the reconciling items noted in the definition of Adjusted Earnings (Loss) is adjusted from Profit (loss) for the period. Please refer to page 3 of the MD&A for the definition of Adjusted Earnings (Loss).

Debt, leverage & liquidity

Quarter end	Cash position	Total bank debt	Funded debt to Adjusted EBITDA ratio	Net debt to Adjusted EBITDA ratio*
Q1 2023	$42.9 M	$350.1 M	2.21x	2.13x
Q4 2022	$55.3 M	$319.6 M	2.13x	1.96x
Q3 2022	$46.6 M	$324.0 M	2.29x	2.20x
Q2 2022	$67.1 M	$345.0 M	2.63x	2.37x
Q1 2022	$46.8 M	$306.7 M	2.60x	2.37x
Q4 2021	$51.3 M	$287.6 M	2.47x	2.17x
Q3 2021	$66.4 M	$246.9 M	2.05x	1.63x
Q2 2021	$74.1 M	$246.8 M	2.03x	1.58x
Q1 2021	$69.1 M	$128.0 M	1.11x	0.57x
Q4 2020	$69.6 M	$123.0 M	1.09x	0.54x
Q3 2020	$91.1 M	$153.5 M	1.49x	0.66x
Q2 2020	$74.1 M	$160.0 M	1.65x	0.96x
Q1 2020	$71.2 M	$176.1 M	1.85x	1.24x
Q4 2019	$60.3 M	$138.0 M	1.49x	0.92x
Q3 2019	$56.0 M	$146.0 M	1.72x	1.16x
Q2 2019	$51.6 M	$150.0 M	1.90x	1.31x
Q1 2019	$37.5 M	$142.4 M	2.01x	1.52x

Liquidity as at March 31, 2023:

Cash	$42.9 M
Bank Credit Facilities Available	$199.9 M
Total Liquidity	$242.8 M

Cash Flow	Quarter ended March 31,	
In thousands of dollars	**2023**	2022
Net cash related to operating activities	$ (30,982)	$ (7,200)
Net cash related to financing activities	21,856	6,404
Net cash related to investing activities	(3,432)	(2,629)
Effect of foreign currency translation	152	(1,002)
Change in cash position during the period	$ (12,406)	$ (4,427)
Free Cash Flow	$ (34,414)	$ (9,705)
Dividends paid	$ (6,576)	$ (6,031)

* *Non-GAAP and other financial measure*

Summary of consolidated quarterly results

In thousands of dollars, except for per share amounts	2023	2022					2021			
	Mar 31	Fiscal 2022	Dec 31	Sep 30	Jun 30	Mar 31	Fiscal 2021	Dec 31	Sep 30	Jun 30
Results of Operations										
Revenues	$ 190,824	$ 735,451	$ 183,762	$ 177,691	$ 206,414	$ 167,584	$ 625,387	$ 162,909	$ 151,797	$ 173,523
Adjusted EBITDA	$ 26,528	$ 135,322	$ 34,928	$ 32,910	$ 49,743	$ 17,741	$ 109,755	$ 25,861	$ 24,415	$ 42,239
Adjusted EBITDA margin	13.9%	18.4%	19.0%	18.5%	24.1%	10.6%	17.5%	15.9%	16.1%	24.3%
Profit (loss) for the period	$ (2,413)	$ (889)	$ (8,759)	$ 6,827	$ 12,499	$ (11,456)	$ 25,573	$ 6,890	$ (295)	$ 16,341
Basic earnings (loss) per share:	$(0.05)	$(0.02)	$(0.20)	$0.15	$0.28	$(0.26)	$0.62	$0.16	$(0.01)	$0.40
Diluted earnings (loss) per share:	$(0.05)	$(0.02)	$(0.20)	$0.15	$0.28	$(0.26)	$0.60	$0.15	$(0.01)	$0.39
Adjusted earnings (loss) per share	$0.33	$1.89	$0.44	$0.42	$0.77	$0.27	$1.90	$0.42	$0.39	$0.75
Weighted average number shares ('000s):										
Basic	45,012	44,635	44,715	44,609	44,508	44,171	41,684	43,945	41,159	41,049
Diluted	45,012	44,635	44,715	45,382	45,179	44,171	42,899	45,269	41,159	42,116

* Non-GAAP and other financial measure

Non-GAAP and other measures definitions

Altus Group uses certain non-GAAP financial measures, non-GAAP ratios, total of segments measures, capital management measures, and supplementary and other financial measures as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"). Management believes that these measures may assist investors in assessing an investment in the Company's shares as they provide additional insight into the Company's 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. These measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS.

Adjusted Earnings (Loss): Altus Group uses Adjusted Earnings (Loss) to facilitate the calculation of Adjusted Earnings (Loss) per Share ("Adjusted EPS"). How it's calculated: Profit (loss) added or (deducted) by: 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; amortization of intangibles of acquired businesses; acquisition and related transition costs (income); unrealized foreign exchange losses (gains); (gains) losses on disposal of right-of-use assets, property, plant and equipment and intangibles; share of (profit) loss of joint venture; non-cash share-based compensation costs; (gains) losses on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs; (gains) losses on derivatives; interest accretion on contingent consideration payables; restructuring costs (recovery); impairment charges; (gains) losses on investments; (gains) losses on hedging transactions and interest expense (income) on swaps; other costs or income of a non-operating and/or non-recurring nature; finance costs (income), net - leases; and the tax impact of these items.

Constant Currency: Altus Group uses Constant Currency to allow 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. How it's calculated: The financial results and non-GAAP measures presented at Constant Currency within this document are obtained by translating monthly results denominated in local currency (U.S. dollars, British pound, Euro, Australian dollars, and other foreign currencies) to Canadian dollars at the foreign exchange rates of the comparable month in the previous year.

Adjusted EPS: Altus Group uses Adjusted EPS to assess the performance of the business, on a per share basis, before the effects of the noted items because they affect the comparability of the Company's financial results and could potentially distort the analysis of trends in business performance. How it's calculated: Adjusted Earnings (Loss) divided by basic weighted average number of shares, adjusted for the effects of the weighted average number of restricted shares.

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"): Altus Group uses Adjusted EBITDA to evaluate the performance of the business, as well as when making decisions about the ongoing operations of the business and the Company's ability to generate cash flows. This measure represents Adjusted EBITDA determined on a consolidated entity-basis as a total of our various segments. All other Adjusted EBITDA references are disclosed in our financial statements and are not considered to be non-GAAP financial measures pursuant to NI 52-112. How it's calculated: Profit (loss) added or (deducted) by: 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; depreciation of property, plant and equipment and amortization of intangibles; 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; 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"); (gains) losses on derivatives, restructuring costs (recovery); impairment charges; (gains) losses on investments; other costs or income of a non-operating and/or non-recurring nature; finance costs (income), net - leases; finance costs (income), net - other; and income tax expense (recovery).

Free Cash Flow: Altus Group uses Free Cash Flow to understand how much of the cash generated from operating activities is available to repay borrowings and to reinvest in the Company. How it's calculated: Net cash provided by (used in) operating activities deducted by capital expenditures.

Adjusted EBITDA Margin: Altus Group uses Adjusted EBITDA margin to evaluate the performance of the business, as well as when making decisions about the ongoing operations of the business and its ability to generate cash flows. How it's calculated: Adjusted EBITDA divided by revenue.

Non-GAAP and other measures definitions

Net debt to Adjusted EBITDA leverage ratio: Altus Group uses Net debt to Adjusted EBITDA leverage ratio as a measure of its ability to service debt and other long-term obligations. How it's calculated: Net debt (total borrowings less cash and cash equivalents, net of short-term deposits) divided by Adjusted EBITDA.

New Bookings, Organic New Bookings, Recurring New Bookings and Non-Recurring New Bookings: For its Analytics reportable segment, Altus Group uses New Bookings, Organic New Bookings, Recurring New Bookings and Non-Recurring New Bookings as measures to track the performance and success of sales initiatives, and as an indicator of future revenue growth. New Bookings is inclusive of any new signed contracts as well as any additional solutions and services added by existing customers within the Analytics reportable segment. The contract value of renewals is excluded from this metric with the exception of additional capacity or products purchased at the time of renewal. How it's calculated: *New Bookings:* The total of annual contract values for new sales of the Company's recurring solutions and services (software subscriptions, Valuation Management Solutions and data subscriptions) plus the total of contract values for one-time engagements (consulting, training, and due diligence). *Organic New Bookings*: The total of New Bookings deducted by New Bookings from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition). *Recurring New Bookings*: The total of annual contract values for new sales of the recurring solutions and services. *Non-Recurring New Bookings*: The total of contract values for one-time engagements.

Organic Revenue: Altus Group uses Organic Revenue to evaluate and assess revenue trends in the business on a comparable basis versus the prior year, and as an indicator of future revenue growth. How it's calculated: Revenue deducted by revenues from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition).

Recurring Revenue, Non-Recurring Revenue, Organic Recurring Revenue: For its Analytics reportable segment, Altus Group uses Recurring Revenue, Non-Recurring Revenue and Organic Recurring Revenue as measures to assess revenue trends in the business, and as an indicator of future revenue growth. How it's calculated: *Recurring Revenue*: Revenue from software subscriptions recognized on an over time basis in accordance with IFRS 15, software maintenance revenue associated with the Company's legacy licenses sold on perpetual terms, Valuation Management Solutions, and data subscriptions. *Non-Recurring Revenue:* Revenue deducted by Recurring Revenue. *Organic Recurring Revenue*: Recurring Revenue deducted by Recurring Revenue from business acquisitions that are not fully integrated (up to the first anniversary of the acquisition).

ARGUS Enterprise ("AE") Software Maintenance Retention Rate: For its Analytics reportable segment, Altus Group uses AE Software Maintenance Retention Rate as a measure to evaluate its success in retaining its AE software customers. With the majority of the AE customer base having now converted from legacy maintenance contracts to subscription contracts this metric is now less relevant and will be updated in the future. How it's calculated: Percentage of the total AE user base contracted on the ARGUS Cloud platform.

Cloud Adoption Rate: For its Analytics reportable segment, Altus Group uses the Cloud Adoption Rate as a measure of its progress in transitioning the AE user base to its cloud-based platform, a key component of its overall product strategy. How it's calculated: Percentage of the total AE user base contracted on the ARGUS Cloud platform.