



AltusGroup

**Annual
Report
2021**



Altus Group Limited

Annual Report

December 31, 2021



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Management's Discussion & Analysis

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The following management's discussion and analysis ("MD&A") is intended to assist readers in understanding Altus Group Limited's consolidated business, its business environment, strategies, performance, outlook and applicable risks. References to the "Company" or "Altus" are to the consolidated group of entities, and this should be read in conjunction with our consolidated financial statements and accompanying notes (the "financial statements") as at and for the year ended December 31, 2021, which have been prepared on the basis of International Financial Reporting Standards ("IFRS") and reported in Canadian dollars. Unless otherwise indicated herein, references to "\$" are to Canadian dollars and percentages are in comparison to the same period in 2020. Starting in the first quarter of 2021, segmented results presented (including restated comparative figures) include variable compensation costs that are accrued and allocated directly to the Company's business units on a quarterly basis. A table detailing the comparative 2020 quarterly results under the new treatment is posted on our website under the Investor Relations section with our 2020 year-end disclosure materials.

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

This MD&A is dated as of February 24, 2022.

Forward-Looking Information

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

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that we identified and applied in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to: engagement and product pipeline opportunities in Altus Analytics will result in associated definitive agreements; settlement volumes in the Property Tax business will occur on a timely basis and that assessment authorities will process appeals in a manner consistent with expectations; the 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; no disruptive changes in the technology environment; the opportunity to acquire accretive businesses and the absence of negative financial and other impacts resulting from strategic investments or acquisitions on short term results; the successful integration of acquired businesses; and the continued availability of qualified professionals. Projections may also be impacted by macroeconomic factors, in addition to other factors not controllable by the Company. Altus has also made certain macroeconomic and general industry assumptions in the preparation of such forward-looking statements.

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Not all factors which affect the forward-looking information are known, and actual results may vary from the projected results in a material respect, and may be above or below the forward-looking information presented in a material respect.

The COVID-19 pandemic has cast additional uncertainty on each of these factors and assumptions. There can be no assurance that they will continue to be valid. Given the rapid pace of change with respect to the COVID-19 pandemic, it is difficult to make further assumptions about these matters. The duration, extent and severity of the impact the COVID-19 pandemic, including measures to prevent its spread, will have on our business is uncertain and difficult to predict at this time. As of the date of this MD&A, many of our offices and clients remain subject to limitations and restrictions set to reduce the spread of COVID-19, and a significant portion of our employees continue to work remotely.

Inherent in the forward-looking information are known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking information. Those risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information include, but are not limited to: the general state of the economy; the COVID-19 pandemic; our financial performance; our financial targets; the commercial real estate market; acquisitions; industry competition; business interruption events; third party information; cybersecurity; professional talent; our cloud subscriptions transition; software renewals; our sales pipeline; enterprise transactions; customer concentration and loss of material clients; product enhancements and new product introductions; technological strategy; intellectual property; property tax appeals and seasonality; legislative and regulatory changes; privacy and data protection; our brand and reputation; fixed-price and contingency engagements; the Canadian multi-residential market; currency fluctuations; interest rates; credit; income tax matters; health and safety hazards; our contractual obligations; legal proceedings; our insurance limits; our ability to meet the solvency requirements necessary to make dividend payments; our leverage and financial covenants; our share price; our capital investments; and the issuance of additional common shares and debt, as described in this document under "Key Factors Affecting the Business" as well as those described in our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2020 (which are available on SEDAR at www.sedar.com).

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

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

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proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

Non-GAAP and Other Measures

Non-GAAP Financial Measures

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

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is a non-GAAP financial measure which represents profit (loss) from continuing operations before income taxes, adjusted for the effects of: 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, and other costs or income of a non-operating and/or non-recurring nature.

Organic Adjusted EBITDA is a non-GAAP financial measure which represents Adjusted EBITDA (as defined above) excluding Adjusted EBITDA from business acquisitions that are not fully integrated, up to the first anniversary of the acquisition.

Adjusted EBITDA margin is a non-GAAP financial ratio which represents the percentage factor of Adjusted EBITDA to revenues. We use Adjusted EBITDA, Organic Adjusted EBITDA and Adjusted EBITDA margin to evaluate the performance of our business, as well as when making decisions about the ongoing operations of the business and our ability to generate cash flows. Refer to page 30 for a reconciliation of Adjusted EBITDA to our financial statements.

Adjusted Earnings (Loss) is a non-GAAP financial measure which represents profit (loss) from continuing operations adjusted for the effects of: 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

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costs (income), losses (gains) on investments, share of (profit) loss of joint venture, impairment charges, (gains) losses on derivatives, other costs or income of a non-operating and/or non-recurring nature, and the tax impact on these items. We use Adjusted Earnings (Loss) to facilitate the calculation of Adjusted Earnings (Loss) per Share ("Adjusted EPS"). Refer to page 31 for a reconciliation of Adjusted Earnings (Loss) to our financial statements.

Adjusted EPS is a non-GAAP financial ratio calculated by dividing the Adjusted Earnings (Loss) by the basic weighted average number of shares adjusted for the effects of weighted average number of restricted shares. We use Adjusted EPS to assess the performance of our business before the effects of the noted items, because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Refer to page 31 for a reconciliation of Adjusted EPS to our financial statements.

Constant currency is a non-GAAP financial measure that allows for current financial and operational performance to be understood against comparative periods without the impact of fluctuations in foreign currency exchange rates against the Canadian dollar. The financial results and non-GAAP measures presented at constant currency within this MD&A 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 we introduced in the first quarter of 2021 for the Altus Analytics business segment. We define Bookings as the annual contract value for new sales of our recurring offerings (software, Appraisal Management solutions 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. We use Bookings as a measure to track the performance and success of our sales initiatives, 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

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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. We use Over Time revenues as a measure to assess revenue trends in our business, 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 assess revenue trends in our business on a comparable basis versus the prior year, and as an indicator of future revenue growth.

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

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

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

Overview of the Business

Altus provides the global commercial real estate ("CRE") industry with vital actionable intelligence solutions driven by our de facto standard ARGUS technology, unparalleled asset level data, and market leading expertise. A market leader in providing intelligence-as-a-service, Altus empowers CRE professionals to make well-informed decisions with greater speed and scale to maximize returns and reduce risk. Trusted by most of the world's largest CRE leaders, our solutions for the valuation, performance, and risk management of CRE assets are integrated into workflows critical to success across the CRE value chain. Founded in 2005, Altus is a global company with over 2,600 employees across North America, EMEA and Asia Pacific.

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

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Altus Analytics

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

Our Altus Analytics solutions are global with our flagship AE software currently utilized in over 100 countries. Our products have traditionally been sold as point solutions, primarily led by our ARGUS software and appraisal management offerings, which we bolstered with new software, data and analytics capabilities through acquisitions that collectively provide us with an end-to-end enterprise solution across various CRE asset investment and management workflows – both for equity and debt investments. In 2022, we are realigning the way we bring our solutions to market by combining our core software tools (ARGUS and Finance Active), data (Altus Data Studio and Reonomy), analytics (ARGUS ValueInsight with CRE fund benchmarking and attribution analysis tools and StratoDem Analytics) and advisory (Appraisal Management and One11 advisory) capabilities under the following five offerings: Altus Valuation, Altus Transactions, Altus Performance, Altus Strategy, and Altus Intelligence. Each of these offerings packages a number of our capabilities which we believe best suits our customers' needs and better addresses their pain points across the whole asset lifecycle.

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

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Commercial Real Estate Consulting

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

Property tax is typically the largest operating expense in CRE property ownership after debt service, making it a key area of focus for our clients. Additionally, realty tax regimes vary significantly between jurisdictions requiring regional and asset specific expertise. We help clients proactively manage this cost and their complex appeal processes, striving to help them minimize the tax burden and reduce the cost of compliance. Our core real estate property tax services include assessment reviews, managing tax appeals, as well as in the U.S., personal property and state and local tax advisory services. The combination of our very specific expertise with our proprietary comprehensive databases and technology contribute to our long-standing track record of successful client outcomes. In Canada, our engagements are also supported by our Property Tax Analyzer platform, an automated workflow communication model that provides clients with “one stop” monitoring and a dashboard view of their assets and property information, including property assessments, appeal status, and taxation information. The majority of our Property Tax revenues are derived on a contingency basis, representing a percentage of the savings we achieve for our clients. As such, we recognize contingency revenues when settlements are made, which in some cases could span multiple years. A smaller portion of our fees are based on a time and materials basis. As discussed under the “Summary of Quarterly Results” section on page 32, this business is subject to some seasonal and cyclical variations.

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

Strategy

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

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At the center of this rapidly maturing and consolidating sector is Altus. Our global footprint and market leading solutions place us at the intersection of CRE transactions globally, uniquely positioning us to drive transformative industry innovation in a fragmented technology landscape. We believe we have the industry's best view of global real estate and an established global platform that's trusted by the industry.

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

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

2022 Strategic Priorities:

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

1. Focus

- ***Profitable revenue growth:*** We are focused on strong sales execution to drive profitable revenue growth in each of our tier one geographies (U.S., Canada, U.K., France, Germany and Australia), across our core customer sectors (investors, proprietors, bankers, and service providers) and across our customer segments (high touch and scale).
- ***Network effect:*** Driving global industry adoption of our ARGUS cloud platform remains a high priority and will be foundational to our intelligence-as-a-service offering. ARGUS' global, mission critical and de facto standard differentiation is amongst our most strategic competitive advantages that advances our position globally through its inherent network effect. We remain tactically focused on migrating our legacy on-premise software users to

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our cloud platform, as well as expanding our penetration with existing customers and adding new ones.

2. Simplification

- **Data:** Our business encompasses a substantial amount of valuable data across all of our solutions and service lines that we intend to leverage in our intelligence-as-a-service offering to deliver analytics at scale and with greater efficiency and speed. A core initiative this year is the unification of our data, including expanding our governance and optimization processes, as well as expanding our data and analytics capabilities to markets within our tier one targets.
- **Value selling:** We are realigning our product offering structure pivoting from product-centric strategies and point solution selling to a more ubiquitous model that centers around our customers' unique priorities and with offers aligned to clear customer challenges that we can solve and create value. The combination of our data, technology and expertise that seamlessly delivers actionable intelligence provides for the most optimal way to drive client value while supporting our business strategies to profitably grow and scale. In 2022, we are updating the way we bring our solutions to market (starting with Altus Analytics and then at CRE Consulting) under the following five offerings: Altus Valuation, Altus Transactions, Altus Performance, Altus Strategy, and Altus Intelligence. Each of these offerings packages a number of our capabilities to best suit our customers' needs.
- **Platform economics:** We are transitioning our entire technology stack to a platform-based approach designed for the management of our data model, the transition of our clients' digital experience, and to reap the benefits of leverage and scale across our entire organization. We are continuing to integrate all of our underlying technology under a common Altus performance platform to deliver intelligence-as-a-service. This approach is inclusive of all our solutions and service lines by design and will include a tax management workflow solution that will contribute valuable information to our intelligence-as-a-service model.

3. Execution

- **One Altus:** Keeping pace with our growth and the many acquisitions made over the years, in 2022 we will transform our internal systems for how we operate, collaborate and go-to-market as a unified intelligence-as-a-service provider across all of Altus. This includes upgrading our finance back-office systems, optimizing CRM front office systems for integrated account planning, and simplifying our solution architecture (including realigning our sales processes, incentives and pricing to increase client value). Our efforts will simplify how we engage with our employees and customers and maximize our internal systems so that we can efficiently and effectively scale as we grow and enhance our productivity metrics.
- **Talent strategy:** In support of our pursuit to become an international employer of choice, in 2022 we are focused on enhancing our talent management strategy to attract, motivate,

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reward and retain our talented people with a focus on embedding a culture of transformation, diversity, equity and inclusion. We are shifting our talent priorities to increase our capacity in line with our growth strategy and investing in our global human resources systems to better manage our talent pool, strengthen employee engagement and productivity, and create a best-in-industry employee experience with improved organizational cohesiveness.

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Financial and Operating Highlights

Selected Financial Information	Year ended December 31,	
<i>In thousands of dollars, except for per share amounts</i>	2021	2020
Revenues	\$ 625,387	\$ 561,156
Canada	30%	33%
U.S.	37%	38%
Europe	28%	24%
Asia Pacific	5%	5%
Adjusted EBITDA ⁽¹⁾	\$ 109,755	\$ 98,928
Adjusted EBITDA margin ⁽¹⁾	17.5%	17.6%
Profit (loss) from continuing operations	\$ 25,573	\$ 27,009
Profit (loss) from discontinued operations	\$ -	\$ (5,576)
Profit (loss)	\$ 25,573	\$ 21,433
Earnings (loss) per share:		
Basic		
Continuing operations	\$0.62	\$0.67
Discontinued operations	\$0.00	\$(0.14)
Diluted		
Continuing operations	\$0.60	\$0.66
Discontinued operations	\$0.00	\$(0.14)
Adjusted ⁽¹⁾	\$1.90	\$1.67
Dividends declared per share	\$0.60	\$0.60

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

Financial Highlights

- **Revenues** were \$625.4 million for the year ended December 31, 2021, up 11.4% (14.7% on a constant currency basis*) or \$64.2 million (\$82.4 million on a constant currency basis), from \$561.2 million in 2020. Organic revenue* growth was 5.2% (8.1% on a constant currency basis) for the year ended December 31, 2021. Revenue growth for the year was led by Altus Analytics and another record year from Property Tax. Altus Analytics, including the acquisitions of Finance Active SAS ("Finance Active") and Scryer, Inc. (d/b/a Reonomy) ("Reonomy"), grew 23.3% (29.9% on a constant currency basis), helped by Over Time revenues growing 23.9% (29.4% on a constant currency basis). Property Tax revenues increased mostly on higher U.K. annuity billings for the year and increased settlement volumes in the U.K.
- **Adjusted EBITDA** was \$109.8 million for the year ended December 31, 2021, up 10.9% (15.1% on a constant currency basis) or \$10.9 million (\$14.9 million on a constant currency basis), from \$98.9 million in 2020. Organic Adjusted EBITDA* growth was 9.5% (13.4% on a constant currency basis) for the year

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ended December 31, 2021. Earnings grew as a result of growing revenues and our ability to maintain our Adjusted EBITDA margin.

- **Profit (loss)** from continuing operations for the year ended December 31, 2021 was \$25.6 million, down 5.3% or \$1.4 million from \$27.0 million in 2020. In addition to the items affecting Adjusted EBITDA as discussed above, profit (loss) from continuing operations for the year ended December 31, 2021 was impacted by costs related to the June 13, 2021 cybersecurity incident net of insurance proceeds received and receivable, additional acquisition and related transition costs, share-based compensation costs, amortization of acquisition-related intangibles, and losses due to foreign exchange. This was offset by lower restructuring costs related to our 2020 global restructuring program, additional gains on our partnership investments, and larger gains on equity derivatives.
- For the year ended December 31, 2021, earnings (loss) per share from continuing operations was \$0.62, basic and \$0.60, diluted, as compared to \$0.67, basic and \$0.66, diluted, in 2020.
- For the year ended December 31, 2021, Adjusted EPS was \$1.90, up 13.8% from \$1.67 in 2020.
- We returned \$25.5 million to shareholders in the year through quarterly dividends of \$0.15 per common share, or \$0.60 per common share for the year.
- As at December 31, 2021, our bank debt was \$287.6 million, representing a funded debt to EBITDA leverage ratio, as defined in our credit facility agreement, of 2.47 times (compared to 1.09 times as at December 31, 2020), well below our maximum ratio of 4.00 times. As at December 31, 2021, cash and cash equivalents were \$51.3 million (compared to \$69.6 million as at December 31, 2020). This also represents a net debt to Adjusted EBITDA leverage ratio* of 2.17 times (compared to 0.53 times as at December 31, 2020).

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

Operating Highlights

Acquisition of Finance Active

On April 1, 2021, we acquired all of the issued and outstanding shares of 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 will be 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. As part of the purchase price, EUR4.8 million (CAD7.1 million) is also payable in cash over two years after closing. As part of the transaction, we entered into non-compete agreements with members of management of Finance Active.

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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 Altus Analytics business. 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 will be held in escrow, and will vest and be released 50% on the first anniversary and the remaining 50% equally at 25% on each of the second and third anniversary of the closing date, subject to continued employment and 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 is 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., StratoDem Analytics' team has been integrated with our Altus Analytics business.

Cybersecurity Incident

On June 13, 2021, we discovered that we were the target of a ransomware attack, which involved the encryption of a number of our back-office systems. We took immediate action to implement our cybersecurity protocols, notified law enforcement, and engaged with cybersecurity experts and professional advisers to assist in addressing the issue as quickly as possible. A customer business continuity protocol was implemented and, as a precautionary measure, our IT back-office systems were temporarily taken offline until they were rebuilt in greenfield environments under guidance of leading cybersecurity experts with additional measures to enhance the security of our systems. In conjunction with these activities, we have taken the opportunity to advance various transformational initiatives that will modernize our applications and processes onto cloud platforms. Since discovery of the incident, our client-facing, cloud-based data and software systems remained fully operational. While the cybersecurity incident caused some internal operational disruption, the impact to revenues was limited to certain areas of our business and overall was not considered material.

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. As part of the

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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 will pay 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 will be held in escrow, and will vest and be released equally over three years on each anniversary 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 business.

Amendments to bank credit facilities

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.

\$172.5 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 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.

Acquisition of Reonomy

On November 12, 2021, we acquired all of the issued and outstanding shares of Reonomy, a fast growing, AI-powered data platform for the CRE industry, for USD201.5 million (approximately CAD250.8 million) (on a cash-free debt-free basis), subject to adjustments. The acquisition of Reonomy strengthens our CRE data and analytics capabilities and creates a very compelling client offering that allows us to serve new and expanded customer use cases. It also strategically positions us for accelerated transformative innovation in AI 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 is in its early stages of growth. Its trailing twelve-month revenues and Adjusted EBITDA losses to September 30, 2021 were USD18.3 million and USD(16.9) million, respectively, reflecting its investment focus on user growth, platform development and revenue acceleration. We expect significant revenue and cost synergies from this transaction that should result in a nominal impact to Adjusted EBITDA in 2022.

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 is a working capital payable of USD0.3 million (CAD0.3 million) that will be 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

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escrow and will vest and be released in equal installments on each of the first and second anniversaries of the grant date, subject to compliance with certain terms and conditions. Based in the U.S., Reonomy' team will integrate with our Altus Analytics business unit.

Operating Highlights - Events After the Reporting Period

Leadership Transition

On February 3, 2022, we announced plans for the transition of our leadership team, including the promotion of Jim Hannon as our next Chief Executive Officer ("CEO") effective April 1, 2022, succeeding Mike Gordon who will remain on our Board of Directors. Concurrently, Jorge Blanco has been promoted to the role of President of our Altus Analytics business segment and to the newly created role of Chief Commercial Officer effective April 1, 2022.

Normal Course Issuer Bid ("NCIB")

On February 3, 2022, we announced that the Toronto Stock Exchange ("TSX") had approved our notice of intention to enter into a NCIB. Pursuant to the NCIB, we may purchase for cancellation up to 1,345,142 of our outstanding common shares during the period from February 8, 2022 to February 7, 2023. The total number of common shares that we are permitted to purchase is subject to a daily purchase limit of 20,336 common shares, other than block purchase exemptions.

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Discussion of Operations

Year and Quarter Ended December 31, 2021

<i>In thousands of dollars</i>	Year ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
Revenues	\$ 625,387	\$ 561,156	\$ 162,909	\$ 139,480
Expenses				
Employee compensation	401,455	354,951	107,334	89,069
Occupancy	7,743	7,591	1,925	1,894
Office and other operating	123,023	102,193	32,254	25,567
Depreciation of right-of-use assets	12,119	11,210	3,209	2,706
Depreciation and amortization	34,463	30,404	9,815	7,511
Acquisition and related transition costs (income)	10,137	(887)	2,025	217
Share of (profit) loss of joint venture	(1,187)	(459)	(745)	(9)
Restructuring costs (recovery)	15	11,984	(238)	3,374
(Gain) loss on investments	(2,930)	(21)	(1,091)	1
Finance costs (income), net - leases	2,219	2,494	515	584
Finance costs (income), net - other	4,130	4,138	1,322	716
Profit (loss) from continuing operations before income taxes	34,200	37,558	6,584	7,850
Income tax expense (recovery)	8,627	10,549	(306)	3,228
Profit (loss) for the period from continuing operations	\$ 25,573	\$ 27,009	\$ 6,890	\$ 4,622
Profit (loss) for the period from discontinued operations	-	(5,576)	-	(276)
Profit (loss) for the period	\$ 25,573	\$ 21,433	\$ 6,890	\$ 4,346

Revenues

Revenues were \$625.4 million for the year ended December 31, 2021, up 11.4% (14.7% on a constant currency basis) or \$64.2 million (\$82.4 million on a constant currency basis), from \$561.2 million in 2020. Organic revenue growth was 5.2% (8.1% on a constant currency basis) for the year ended December 31, 2021. For the quarter ended December 31, 2021, revenues were \$162.9 million, up 16.8% (19.9% on a constant currency basis) or \$23.4 million (\$27.8 million on a constant currency basis), from \$139.5 million in the same period in 2020. Organic revenue growth was 6.9% (9.3% on a constant currency basis) for the quarter ended December 31, 2021. The revenue growth in 2021 was driven by strong Over Time revenue growth in Altus Analytics, including from our acquisitions, and another record year from our global Property Tax practice.

Employee Compensation

Employee compensation was \$401.5 million for the year ended December 31, 2021, up 13.1% or \$46.5 million from \$355.0 million in 2020. For the quarter ended December 31, 2021, employee compensation was \$107.3 million, up 20.5% or \$18.2 million from \$89.1 million in the same period in 2020. For the year and quarter ended December 31, 2021, the increase in compensation was mainly due to headcount additions within Altus Analytics and Property Tax, and the acquisitions of Property Tax Assistance Company Inc. ("PTA") in December 2020, Finance Active in April 2021, StratoDem Analytics in May 2021 and Reonomy in November 2021. For the year and quarter ended December 31, 2021, employee compensation as a

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percentage of revenues was 64.2% and 65.9%, as compared to 63.3% and 63.9% in the corresponding periods in 2020, respectively.

Occupancy

Occupancy represents amounts pertaining to short-term leases, low-value assets, and variable lease payments and was \$7.7 million for the year ended December 31, 2021, up 2.0% or \$0.1 million from \$7.6 million in 2020. For the quarter ended December 31, 2021, occupancy was \$1.9 million, in line with the same period in 2020. Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 would have been \$20.9 million and \$5.4 million for the year and quarter ended December 31, 2021, as compared to \$19.9 million and \$4.9 million in the corresponding periods in 2020, respectively. For the year and quarter ended December 31, 2021, occupancy as a percentage of revenues was 1.2% and 1.2%, as compared to 1.4% and 1.4% in the corresponding periods in 2020, respectively. Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 as a percentage of revenues would have been 3.3% and 3.3% for the year and quarter ended December 31, 2021, as compared to 3.5% and 3.5% in the corresponding periods in 2020, respectively.

Office and Other Operating Costs

Office and other operating costs were \$123.0 million for the year ended December 31, 2021, up 20.4% or \$20.8 million from \$102.2 million in 2020. For the quarter ended December 31, 2021, office and other operating costs were \$32.3 million, up 26.2% or \$6.7 million from \$25.6 million in the same period in 2020. For the year and quarter ended December 31, 2021, the increase was primarily due to acquisitions, professional fees for strategic advisory work, and costs related to the cybersecurity incident net of insurance proceeds received and receivable. For the year and quarter ended December 31, 2021, office and other operating costs as a percentage of revenues were 19.7% and 19.8%, as compared to 18.2% and 18.3% in the corresponding periods in 2020, respectively.

Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets was \$12.1 million and \$3.2 million for the year and quarter ended December 31, 2021, as compared to \$11.2 million and \$2.7 million in the corresponding periods in 2020, respectively. The increase was primarily due to the acquisition of the Finance Active and Reonomy office leases.

Depreciation and Amortization

Depreciation and amortization were \$34.5 million and \$9.8 million for the year and quarter ended December 31, 2021, as compared to \$30.4 million and \$7.5 million in the corresponding periods in 2020, respectively. The increase was mainly due to the recognition and the amortization of intangible assets related to recent acquisitions.

Acquisition and Related Transition Costs (Income)

Acquisition and related transition costs (income) were \$10.1 million and \$2.0 million for the year and quarter ended December 31, 2021, as compared to \$(0.9) million and \$0.2 million in the corresponding periods in 2020, respectively. Costs incurred for the year ended December 31, 2021 were related to the acquisitions and integrations of Finance Active, StratoDem Analytics, ArGil, and Reonomy during the year. The income recorded for the year ended December 31, 2020 was due to a downward revaluation of our acquisition-related contingent consideration payables on historical acquisitions.

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Share of (Profit) Loss of Joint Venture

Share of (profit) loss of joint venture represents our share of the profit/loss in GeoVerra Inc. ("GeoVerra"), which was entered into on June 27, 2020, and was \$(1.2) million and \$(0.7) million for the year and quarter ended December 31, 2021, as compared to \$(0.5) million and \$nil in the corresponding periods in 2020, respectively.

Restructuring Costs (Recovery)

Restructuring costs (recovery) were \$nil and \$(0.2) million for the year and quarter ended December 31, 2021 related to true-ups for the settlement of charges pertaining to the global restructuring program initiated in the second quarter of 2020, as compared to \$12.0 million and \$3.4 million in the corresponding periods in 2020, respectively.

(Gain) Loss on Investments

(Gain) loss on investments was \$(2.9) million and \$(1.1) million for the year and quarter ended December 31, 2021, as compared to \$nil and \$nil in the corresponding periods in 2020, respectively. The amount represents changes in the fair value of our investments in partnerships.

Finance Costs (Income), Net

<i>In thousands of dollars</i>	Year ended December 31,			Quarter ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Interest on borrowings	\$ 3,918	\$ 3,943	(0.6%)	\$ 1,413	\$ 723	95.4%
Interest on lease liabilities	2,219	2,494	(11.0%)	515	584	(11.8%)
Unwinding of discounts	118	136	(13.2%)	51	3	1,600.0%
Interest - other	340	-	100.0%	47	-	100.0%
Change in fair value of interest rate swaps	-	138	(100.0%)	-	-	-
Finance income	(246)	(79)	211.4%	(189)	(10)	1,790.0%
Finance costs (income), net	\$ 6,349	\$ 6,632	(4.3%)	\$ 1,837	\$ 1,300	41.3%

Finance costs (income), net for the year ended December 31, 2021 was \$6.3 million, down 4.3% or \$0.3 million from \$6.6 million in 2020. For the quarter ended December 31, 2021, finance costs (income), net was \$1.8 million, up 41.3% or \$0.5 million from \$1.3 million in the same period in 2020. For the year ended December 31, 2021, finance costs decreased due to lower interest on our bank credit facilities and leases, and the smaller change in fair value recognized in relation to our \$65.0 million interest rate swap which was settled in the second quarter of 2020, offset by the accretion of the purchase price accounting adjustment to deferred revenue of Finance Active and Reonomy. For the quarter ended December 31, 2021, finance costs increased due to interest on our larger bank credit facilities balance and the accretion of the purchase price accounting adjustment to deferred revenue of Finance Active and Reonomy.

Income Tax Expense (Recovery)

Income tax expense (recovery) for the year ended December 31, 2021 was \$8.6 million, as compared to \$10.5 million in 2020. The decrease was due to a reduction in permanent tax expense adjustments compared to the prior year. For the quarter ended December 31, 2021, income tax expense (recovery) was \$(0.3) million, as compared to \$3.2 million in the same period in 2020. A significant amount of our earnings is derived outside of Canada and as a result a change in the mix of earnings and losses in countries with differing statutory tax rates has impacted our effective tax rates for the period ended December 31, 2021.

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Profit (Loss) from Continuing Operations

Profit (loss) from continuing operations for the year ended December 31, 2021 was \$25.6 million and \$0.62 per share, basic and \$0.60 per share, diluted, as compared to \$27.0 million and \$0.67 per share, basic and \$0.66 per share, diluted, in 2020. For the quarter ended December 31, 2021, profit (loss) from continuing operations was \$6.9 million and \$0.16 per share, basic and \$0.15 per share, diluted, as compared to \$4.6 million and \$0.11 per share, basic and diluted, in the same period in 2020.

Profit (Loss) from Discontinued Operations

Profit (loss) from discontinued operations for the year ended December 31, 2021 was \$nil and \$0.00 per share, basic and diluted, as compared to \$(5.6) million and \$(0.14) per share, basic and diluted, in 2020. For the quarter ended December 31, 2021, profit (loss) from discontinued operations was \$nil and \$0.00 per share, basic and diluted, as compared to \$(0.3) million and \$(0.01) per share, basic and diluted, in the same period in 2020. This was due mainly to the contribution of our Geomatics discontinued operations into the GeoVerra joint venture in the second quarter of 2020.

Profit (Loss)

Profit (loss) for the year ended December 31, 2021 was \$25.6 million and \$0.62 per share, basic and \$0.60 per share, diluted, as compared to \$21.4 million and \$0.53 per share, basic and \$0.52 per share, diluted, in 2020. For the quarter ended December 31, 2021, profit (loss) was \$6.9 million and \$0.16 per share, basic and \$0.15 per share, diluted, as compared to \$4.3 million and \$0.11 per share, basic and \$0.10 per share, diluted, in the same period in 2020.

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Revenues and Adjusted EBITDA by Business Unit

Revenues	Year ended December 31,				Quarter ended December 31,			
	2021	2020	% Change	Constant Currency % Change	2021	2020	% Change	Constant Currency % Change
<i>In thousands of dollars</i>								
Altus Analytics	\$ 251,084	\$ 203,707	23.3%	29.9%	\$ 72,407	\$ 51,515	40.6%	46.6%
Commercial Real Estate Consulting	374,604	357,754	4.7%	6.0%	90,577	88,041	2.9%	4.2%
Intercompany eliminations	(301)	(305)	1.3%	1.3%	(75)	(76)	1.3%	0.9%
Total	\$ 625,387	\$ 561,156	11.4%	14.7%	\$ 162,909	\$ 139,480	16.8%	19.9%

Adjusted EBITDA	Year ended December 31,				Quarter ended December 31,			
	2021	2020	% Change	Constant Currency % Change	2021	2020 ⁽¹⁾	% Change	Constant Currency % Change
<i>In thousands of dollars</i>								
Altus Analytics	\$ 41,567	\$ 35,845	16.0%	25.2%	\$ 10,698	\$ 9,815	9.0%	19.1%
Commercial Real Estate Consulting	104,056	92,088	13.0%	14.0%	24,170	24,207	(0.2%)	1.0%
Corporate	(35,868)	(29,005)	(23.7%)	(24.4%)	(9,007)	(7,288)	(23.6%)	(24.2%)
Total	\$ 109,755	\$ 98,928	10.9%	15.1%	\$ 25,861	\$ 26,734	(3.3%)	1.3%

⁽¹⁾ Comparative figures have been restated to reflect accrued variable compensation costs within the respective business units.

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Altus Analytics

In thousands of dollars	Year ended December 31,				Quarter ended December 31,			
	2021	2020	% Change	Constant Currency % Change	2021	2020	% Change	Constant Currency % Change
Revenues	\$ 251,084	\$ 203,707	23.3%	29.9%	\$ 72,407	\$ 51,515	40.6%	46.6%
Adjusted EBITDA ⁽¹⁾	\$ 41,567	\$ 35,845	16.0%	25.2%	\$ 10,698	\$ 9,815	9.0%	19.1%
Adjusted EBITDA Margin ⁽¹⁾	16.6%	17.6%			14.8%	19.1%		
Other Measures ⁽²⁾								
Bookings	\$ 95,066	\$ 53,973	76.1%	84.9%	\$ 31,120	\$ 14,851	109.5%	113.3%
Over Time revenues	\$ 207,805	\$ 167,678	23.9%	29.4%	\$ 59,801	\$ 43,468	37.6%	41.0%
AE software maintenance retention rate	94%	96%			94%	94%		
Geographical revenue split								
North America	75%	81%			75%	81%		
International	25%	19%			25%	19%		
Cloud adoption rate (as at end of period)	42%	14%						

⁽¹⁾ Comparative figures have been restated to reflect accrued variable compensation costs within the respective business units.

⁽²⁾ Altus uses certain supplementary financial and other measures such as Bookings, Over Time revenues, AE software maintenance retention rate and cloud adoption rate. Since these measures are not standard measures under GAAP, they may not be comparable to similar measures reported by other entities. Refer to the "Non-GAAP and Other Measures" section for more information on each measure.

Year End Discussion

Revenues were \$251.1 million for the year ended December 31, 2021, up 23.3% (29.9% on a constant currency basis) or \$47.4 million (\$60.9 million on a constant currency basis), from \$203.7 million in 2020. Organic revenues were up 9.0% (up 14.9% on a constant currency basis). The acquisitions of Finance Active, StratoDem Analytics and Reonomy represented 14.2% of the 23.3% revenue growth, although it was impacted by the purchase price accounting adjustments of \$4.0 million to Finance Active's and Reonomy's deferred revenues or 2.0% to revenue growth. The double-digit growth in Over Time revenues across our product offerings drove revenue growth. In addition, our revenues from software consulting services showed strong growth in the year.

Over Time revenues, as described above in the "Overview of the Business" section, were \$207.8 million for the year ended December 31, 2021, up 23.9% (29.4% on a constant currency basis) or \$40.1 million (\$49.3 million on a constant currency basis), from \$167.7 million in 2020. On an organic basis, Over Time revenues were up 7.7% (up 13.2% on a constant currency basis). Over Time revenues benefitted from organic revenue growth from higher sales across all of our key solutions, including customer expansion and new customer additions, as well as the acquisition of Finance Active and Reonomy. Sequentially, Over Time revenues grew 8.5% (8.8% on a constant currency basis) or \$4.7 million (\$4.8 million on a constant currency basis), from \$55.1 million in the third quarter of 2021.

Bookings in the year increased by 76.1% year-over-year (84.9% on a constant currency basis), from \$54.0 million to \$95.1 million and we finished the year with a growing pipeline of future opportunities. Organic

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growth in Bookings was 65.3% (74.1% on a constant currency basis) from 2020.

Our transition to AE cloud subscriptions continued to progress at a healthy pace. At the end of 2021, 42% of our total AE user base had been contracted on ARGUS Cloud, compared to 14% at the start of the year.

Adjusted EBITDA was \$41.6 million for the year ended December 31, 2021, up 16.0% (25.2% on a constant currency basis) or \$5.8 million (\$9.0 million on a constant currency basis), from \$35.8 million in 2020. Organic Adjusted EBITDA growth was 16.4% (25.3% on a constant currency basis). Adjusted EBITDA improved on higher revenues, although it was impacted by the purchase price accounting adjustments of \$4.0 million to Finance Active's and Reonomy's deferred revenues as well as higher investment related to accelerating our data strategy. The purchase price accounting adjustments had a 1.3% impact to Adjusted EBITDA margin.

Quarterly Discussion

Revenues were \$72.4 million for the quarter ended December 31, 2021, up 40.6% (46.6% on a constant currency basis) or \$20.9 million (\$24.0 million on a constant currency basis), from \$51.5 million in 2020. Organic revenue growth was 17.3% (21.9% on a constant currency basis). The acquisitions of Finance Active, StratoDem Analytics and Reonomy represented 23.2% revenue growth, although it was impacted by the purchase price accounting adjustment of \$1.7 million to Finance Active's and Reonomy's deferred revenues or 3.3% to revenue growth. Total revenue growth benefitted from double-digit Over Time revenue growth across our subscription products and advisory services.

Over Time revenues were \$59.8 million for the quarter ended December 31, 2021, up 37.6% (41.0% on a constant currency basis) or \$16.3 million (\$17.8 million on a constant currency basis), from \$43.5 million in the same period in 2020. On an organic basis, Over Time revenues were up 12.2% (up 15.6% on a constant currency basis). Over Time revenues benefitted from higher sales across all our key solutions, both organic and from acquisitions, including customer expansion and new customer additions. Sequentially, Over Time revenues grew 8.5% (8.8% on a constant currency basis) from \$55.1 million in the third quarter of 2021.

Bookings in the quarter ended December 31, 2021 increased by 109.5% year-over-year (113.3% on a constant currency basis) from \$14.9 million to \$31.1 million and we finished the quarter with a growing pipeline of future opportunities. Organic growth in Bookings was 86.9% (90.7% on a constant currency basis) from the same period in 2020.

Adjusted EBITDA was \$10.7 million for the quarter ended December 31, 2021, up 9.0% (19.1% on a constant currency basis) or \$0.9 million (\$1.9 million on a constant currency basis), from \$9.8 million in the same period in 2020. Organic Adjusted EBITDA growth was 29.4% (38.8% on a constant currency basis). Adjusted EBITDA improved on higher revenues, although it was impacted by the purchase price accounting adjustment of \$1.7 million to Finance Active's and Reonomy's deferred revenues as well as higher investment related to accelerating our data strategy. The purchase price accounting adjustment had a 1.9% impact to Adjusted EBITDA margin.

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Outlook¹

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

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

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

The migration of on-premise AE users to cloud-based subscription contracts is ongoing, and we expect to make significant progress in 2022. With 42% of AE users contracted on the cloud at the end of 2021, we expect to maintain good momentum in 2022 with the large majority of our AE users expected to be contracted to the cloud by the end of 2023. The enhancements to cloud-enabled AE 14, launched in late 2021, are expected to be an influential consideration for larger firms, in addition to our plans to end support for AE 12.1 or older by June 30, 2022.

As supported by the acceleration of our growth rates and strong Bookings performance, we are on track to meet our aspirational long-term goal of achieving revenues of \$400 million by the end of 2023.

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

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Commercial Real Estate Consulting

In thousands of dollars	Year ended December 31,				Quarter ended December 31,			
	2021	2020	% Change	Constant Currency % Change	2021	2020	% Change	Constant Currency % Change
Revenues								
Property Tax	\$ 259,911	\$ 245,162	6.0%	8.0%	\$ 60,060	\$ 57,477	4.5%	6.2%
Valuation and Cost Advisory	114,693	112,592	1.9%	1.7%	30,517	30,564	(0.2%)	0.6%
Revenues	\$ 374,604	\$ 357,754	4.7%	6.0%	\$ 90,577	\$ 88,041	2.9%	4.2%
Adjusted EBITDA ⁽¹⁾								
Property Tax	\$ 87,616	\$ 76,961	13.8%	15.1%	\$ 18,222	\$ 18,121	0.6%	2.0%
Valuation and Cost Advisory	16,440	15,127	8.7%	8.5%	5,948	6,086	(2.3%)	(1.9%)
Adjusted EBITDA	\$ 104,056	\$ 92,088	13.0%	14.0%	\$ 24,170	\$ 24,207	(0.2%)	1.0%
Adjusted EBITDA Margin	27.8%	25.7%			26.7%	27.5%		

⁽¹⁾ Comparative figures have been restated to reflect accrued variable compensation costs within the respective business units.

Year End Discussion

Revenues were \$374.6 million for the year ended December 31, 2021, up 4.7% (6.0% on a constant currency basis) or \$16.8 million (\$21.5 million on a constant currency basis), from \$357.8 million in 2020. Organic revenue growth was 3.0% (4.2% on a constant currency basis). CRE Consulting delivered another record revenue year given the strength in our global Property Tax business.

Property Tax revenues increased by 6.0% (8.0% on a constant currency basis), primarily reflecting higher U.K. annuity billings for the year and increased settlement volumes in the U.K., steady performance in Canada, offset by COVID-19 delayed settlement activity in the U.S., and the negative currency impact from a weaker U.S. dollar.

Revenue from our Valuation and Cost Advisory businesses were higher, driven primarily by robust performance from the Cost business as underlying activity levels in Canada increased from the prior year.

Adjusted EBITDA was \$104.1 million for the year ended December 31, 2021, up 13.0% (14.0% on a constant currency basis) or \$12.0 million (\$12.9 million on a constant currency basis), from \$92.1 million in 2020. Organic Adjusted EBITDA growth was 11.3% (12.2% on a constant currency basis). The increase in earnings resulted from higher revenues from Property Tax and from our Cost business.

Quarterly Discussion

Revenues were \$90.6 million for the quarter ended December 31, 2021, up 2.9% (4.2% on a constant currency basis) or \$2.6 million (\$3.7 million on a constant currency basis), from \$88.0 million in the same period in 2020. Organic revenue growth was 0.7% (2.0% on a constant currency basis). The growth in revenues was driven by strength in Property Tax and from our Cost business.

Property Tax revenues were \$60.1 million, up 4.5% (6.2% on a constant currency basis) reflecting a rebound in the U.S. following the impact of COVID-19-related delays experienced earlier in the year, and growth

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from the acquisition of PTA. We saw steady performance in Canada and a decline in revenues in the U.K. due to a decrease in settlement activity volumes while retaining a very healthy pipeline of cases to be settled. Our Valuation and Cost Advisory business held steady in the quarter.

Adjusted EBITDA was \$24.2 million for the quarter ended December 31, 2021, in line with the same period in 2020. Organic Adjusted EBITDA growth was (4.5%) ((3.6%) on a constant currency basis).

Outlook²

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

Consistent with the strong performance trends over the past couple of years, Property Tax remains well positioned to deliver another record revenue and Adjusted EBITDA in 2022. Our full year outlook for 2022 is supported by a significant pipeline of cases to be settled in all three geographical markets, as well as a healthy backlog of new sales bookings achieved by our business development activities, and record annuity billings in the U.K. Given the seasonal and cyclical variations of the Property Tax business (as discussed in more detail on page 32 of this MD&A), we expect to experience typical quarterly variability in our financial performance, including the second quarter being our seasonally strongest quarter. As experienced in 2021, the ongoing COVID-19 pandemic could continue to potentially impact some of these typical variations, and cause some short-term disruption related to the anticipated timing of settlements. 2022 marks the final year of the extended U.K. tax cycle which also makes it the final year of the associated annuity billings in the U.K. As the new U.K. cycle begins in 2023, the annuity billings will reset before it starts to ramp up in 2024.

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

Corporate Costs

Year End Discussion

Corporate costs were \$35.9 million for the year ended December 31, 2021, as compared to \$29.0 million in 2020. Corporate costs increased primarily due to higher consulting fees for professional, advisory, and compensation costs.

Quarterly Discussion

Corporate costs were \$9.0 million for the quarter ended December 31, 2021, as compared to \$7.3 million (restated to reflect accrued variable compensation costs within the respective business units) in the same period in 2020. Corporate costs increased primarily due to higher IT, compensation, travel and IR program costs. Starting in the first quarter of 2021, we accrued and allocated variable compensation costs for business

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

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units directly on a quarterly basis, versus the former treatment of accruing under the Corporate segment and reallocating in the fourth quarter.

Liquidity and Capital Resources

Cash Flow	Year ended December 31,	
<i>In thousands of dollars</i>	2021	2020 ⁽¹⁾
Net cash related to operating activities	\$ 56,308	\$ 72,300
Net cash related to financing activities	300,430	(41,298)
Net cash related to investing activities	(373,315)	(20,903)
Effect of foreign currency translation	(1,789)	(724)
Change in cash position during the year	\$ (18,366)	\$ 9,375
Dividends paid	\$ 21,564	\$ 21,859

⁽¹⁾ The net cash flows provided by (used in) the operating, financing, and investing activities of the Geomatics discontinued operations for the year ended December 31, 2020 were \$3.2 million, \$(0.7) million, and \$(4.1) million, respectively. The Geomatics discontinued operations was contributed into the GeoVerra joint venture in the second quarter of 2020.

We expect to fund operations with cash on hand and cash derived from operating activities. Deficiencies arising from short-term working capital requirements and capital expenditures may be financed on a short-term basis with bank indebtedness or on a permanent basis with offerings of securities. Whilst we continue to generate strong cash flows from our operating activities, significant erosion in the general state of the economy or further prolonged impacts of the COVID-19 pandemic or the cybersecurity incident could affect our liquidity by reducing future cash generated from operating activities or by limiting access to short-term financing as a result of tightening credit markets. During the year, we amended and expanded our bank credit facilities, further strengthening our financial and liquidity position. For further details regarding the amendments, refer to the "Cash from Financing Activities" discussion below and Note 22 - Borrowings in the notes to the annual financial statements.

Cash from Operating Activities

Working Capital		
<i>In thousands of dollars</i>	December 31, 2021	December 31, 2020
Current assets	\$ 283,734	\$ 268,571
Current liabilities	209,931	153,184
Working capital	\$ 73,803	\$ 115,387

Current assets are composed primarily of cash and cash equivalents and trade receivables and other (including a \$3.1 million related party receivable from our GeoVerra joint venture related mainly to the settlement of our initial contributions and other normal course transactions, which are related party transactions, as described in the notes to our 2021 annual financial statements). It also includes income taxes recoverable and derivative financial instruments for our equity hedges on RSUs and DSUs. The increase is primarily due to the increase in trade receivables resulting from increased revenue activity and acquisitions made during 2021, a larger amount of prepaid expenses for cloud software, and an increase in value of our derivative financial instruments, offset by the use of cash for acquisition purposes.

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Current liabilities are composed primarily of trade payables and other, and lease liabilities. It also includes income taxes payable. The increase in current liabilities is mainly due to the increase in accrued expenses and the contract liabilities (deferred revenue) and deferred consideration payables resulting from the Finance Active and Reonomy acquisitions, offset by continued payment of restructuring provisions related to our 2020 global restructuring program.

As at December 31, 2021, trade receivables, net and contract assets (unbilled revenue on customer contracts) net of contract liabilities (deferred revenue) was \$125.7 million, down 5.9% or \$7.9 million from \$133.6 million as at December 31, 2020. As a percentage of the trailing 12-month revenues, trade receivables and unbilled revenue on customer contracts net of deferred revenue, for continuing operations, was 19.2% as at December 31, 2021, as compared to 23.4% as at December 31, 2020.

Our DSO from continuing operations was 72 days as at December 31, 2021, as compared to 84 days as at December 31, 2020, representing our ability to convert revenue into cash returning back to pre-COVID levels.

Current and long-term liabilities include amounts owing to the vendors of acquired businesses on account of excess working capital, contingent consideration payable, deferred purchase price payments and other closing adjustments. As at December 31, 2021, the amounts owing to the vendors of acquired businesses were \$10.0 million, as compared to \$3.7 million as at December 31, 2020. We intend to satisfy the payments with cash on hand.

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

Cash from Financing Activities

Our revolving bank credit facilities are unsecured and used for general corporate purposes and the funding of our acquisitions. In September 2021, we amended our bank credit facilities to further strengthen our financial and liquidity position, increasing our borrowing capacity from \$275.0 million to \$315.0 million, with certain provisions that allow us to further increase the limit to \$365.0 million. 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. The bank credit facilities have a three-year term expiring March 24, 2023, with an additional two-year extension available at our option.

As at December 31, 2021, our total borrowings on our bank credit facilities amounted to \$287.6 million, an increase of \$164.6 million from December 31, 2020, primarily to fund the acquisitions of Finance Active and Reonomy. We intend to continue paying down the total outstanding balance with cash flows generated from our operations.

Loans under the bank credit facilities bear interest at a floating rate, based on the Canadian Prime rates, Canadian Bankers' Acceptance rates, U.S. Base rates, or SONIA, SOFR, and €STR rates plus, in each case, an applicable margin to those rates. The applicable margin for Canadian Bankers' Acceptance and SONIA, SOFR, and €STR borrowings depends on a trailing four-quarter calculation of the funded debt to EBITDA ratio. The weighted average effective rate of interest for the year ended December 31, 2021 on our bank credit facilities was 1.58%, as compared to 2.37% in 2020.

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

- Maximum Funded Debt to EBITDA ratio: maximum of 4.00:1
- Minimum Interest Coverage ratio: minimum of 3.00:1

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

We also have outstanding letters of credit under our bank credit facilities in the total amount of \$1.5 million (December 31, 2020 - \$1.1 million).

As at December 31, 2021, we have guaranteed up to \$1.5 million in connection with vehicle leases and related services entered into by GeoVerra (December 31, 2020 - \$1.5 million).

As at December 31, 2021, we were in compliance with the financial covenants and other requirements of our amended bank credit facilities. The financial covenants are summarized below:

	December 31, 2021
Funded debt to EBITDA (maximum of 4.00:1)	2.47:1
Interest coverage (minimum of 3.00:1)	30.15:1

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

Contractual Obligations ⁽¹⁾	Payments Due by Period (undiscounted)				
	Total	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years
<i>In thousands of dollars</i>					
Bank credit facilities	\$ 287,594	\$ -	\$ 287,594	\$ -	\$ -
Lease obligations	77,185	15,667	29,455	17,592	14,471
Deferred consideration payables	6,921	3,461	3,460	-	-
Contingent consideration payables	200	-	200	-	-
Other liabilities	177,539	127,633	21,062	8,552	20,292
Total contractual obligations	\$ 549,439	\$ 146,761	\$ 341,771	\$ 26,144	\$ 34,763

⁽¹⁾ Contractual obligations exclude aggregate unfunded capital contributions of \$4.8 million to certain partnerships as the amount and timing of such payments are uncertain.

Cash from Investing Activities

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

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Capital expenditures are reconciled as follows:

Capital Expenditures	Year ended December 31,	
<i>In thousands of dollars</i>	2021	2020 ⁽¹⁾
Property, plant and equipment additions	\$ 5,965	\$ 3,580
Intangibles additions	4,664	770
Proceeds from disposal of property, plant and equipment and intangibles	-	(96)
Capital expenditures	\$ 10,629	\$ 4,254

⁽¹⁾ Capital expenditures related to the Geomatics discontinued operations for the year ended December 31, 2020 were \$0.3 million. The Geomatics discontinued operations was contributed into the GeoVerra joint venture in the second quarter of 2020.

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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>	Year ended		Quarter ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Adjusted EBITDA	\$ 109,755	\$ 98,928	\$ 25,861	\$ 26,734
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 ⁽¹⁾	13,199	12,312	3,477	3,053
Depreciation of right-of-use assets	(12,119)	(11,210)	(3,209)	(2,706)
Depreciation of property, plant and equipment and amortization of intangibles	(34,463)	(30,404)	(9,815)	(7,511)
Acquisition and related transition (costs) income	(10,137)	887	(2,025)	(217)
Unrealized foreign exchange gain (loss) ⁽²⁾	(1,104)	(165)	145	(382)
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles ⁽²⁾	248	(457)	-	(454)
Share of profit (loss) of joint venture	1,187	459	745	9
Non-cash share-based compensation costs ⁽³⁾	(19,455)	(10,261)	(6,178)	(2,133)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged ⁽³⁾	2,040	(471)	1,035	(2,237)
Restructuring (costs) recovery	(15)	(11,984)	238	(3,374)
Gain (loss) on investments ⁽⁴⁾	2,930	21	1,091	(1)
Impairment charge - leases	-	(36)	-	-
Other non-operating and/or non-recurring income (costs) ⁽⁵⁾	(11,517)	(3,429)	(2,944)	(1,631)
Earnings (loss) from continuing operations before finance costs and income taxes	40,549	44,190	8,421	9,150
Finance (costs) income, net - leases	(2,219)	(2,494)	(515)	(584)
Finance (costs) income, net - other	(4,130)	(4,138)	(1,322)	(716)
Profit (loss) from continuing operations before income taxes	34,200	37,558	6,584	7,850
Income tax (expense) recovery	(8,627)	(10,549)	306	(3,228)
Profit (loss) for the period from continuing operations	\$ 25,573	\$ 27,009	\$ 6,890	\$ 4,622
Profit (loss) for the period from discontinued operations	-	(5,576)	-	(276)
Profit (loss) for the period	\$ 25,573	\$ 21,433	\$ 6,890	\$ 4,346

⁽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 consolidated statements of comprehensive income (loss).

⁽³⁾ Included in employee compensation expenses in the 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 year and quarter ended December 31, 2021 relate to (i) costs relating to the June 13, 2021 cybersecurity incident net of insurance proceeds received and receivable, and (ii) transaction and other related costs. For the year and quarter ended December 31, 2020, other non-operating and/or non-recurring income (costs) relate to (i) transitional costs related to the departure of senior executives, (ii) legal, advisory, and other consulting costs related to a Board strategic initiative, and (iii) transaction and other related costs. These are included in office and other operating expenses in the consolidated statements of comprehensive income (loss).

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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>	Year ended		Quarter ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Profit (loss) for the period	\$ 25,573	\$ 21,433	\$ 6,890	\$ 4,346
(Profit) loss for the period from discontinued operations	-	5,576	-	276
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 ⁽¹⁾	(13,199)	(12,312)	(3,477)	(3,053)
Depreciation of right-of-use assets	12,119	11,210	3,209	2,706
Finance costs (income), net - leases	2,219	2,494	515	584
Amortization of intangibles of acquired businesses	28,435	23,533	7,654	5,724
Unrealized foreign exchange loss (gain)	1,104	165	(145)	382
Loss (gain) on disposal of right-of-use assets, property, plant and equipment and intangibles	(248)	457	-	454
Non-cash share-based compensation costs	19,455	10,261	6,178	2,133
Loss (gain) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged	(2,040)	471	(1,035)	2,237
Interest accretion on contingent consideration payables	-	102	-	-
Restructuring costs (recovery)	15	11,984	(238)	3,374
Loss (gain) on hedging transactions, including currency forward contracts and interest expense (income) on swaps	-	138	-	-
Acquisition and related transition costs (income)	10,137	(887)	2,025	217
Loss (gain) on investments	(2,930)	(21)	(1,091)	1
Share of loss (profit) of joint venture	(1,187)	(459)	(745)	(9)
Impairment charge - leases	-	36	-	-
Other non-operating and/or non-recurring costs (income)	11,517	3,429	2,944	1,631
Tax impact on above	(10,656)	(9,836)	(3,840)	(2,933)
Adjusted earnings (loss) for the period	\$ 80,314	\$ 67,774	\$ 18,844	\$ 18,070
Weighted average number of shares - basic	41,684,077	40,158,543	43,945,167	40,379,692
Weighted average number of restricted shares	580,280	351,452	680,150	345,089
Weighted average number of shares - adjusted	42,264,357	40,509,995	44,625,317	40,724,781
Adjusted earnings (loss) per share ⁽²⁾	\$1.90	\$1.67	\$0.42	\$0.44

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

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

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Summary of Quarterly Results

In thousands of dollars, except for per share amounts	2021					2020				
	Fiscal 2021	Dec 31	Sep 30	Jun 30	Mar 31	Fiscal 2020	Dec 31	Sep 30	Jun 30	Mar 31
Results of Operations										
Revenues	\$ 625,387	\$ 162,909	\$ 151,797	\$ 173,523	\$ 137,158	\$ 561,156	\$ 139,480	\$ 134,950	\$ 155,470	\$ 131,256
Adjusted EBITDA	\$ 109,755	\$ 25,861	\$ 24,415	\$ 42,239	\$ 17,240	\$ 98,928	\$ 26,734	\$ 24,047	\$ 34,899	\$ 13,248
Adjusted EBITDA margin	17.5%	15.9%	16.1%	24.3%	12.6%	17.6%	19.2%	17.8%	22.4%	10.1%
Profit (loss) for the period from continuing operations	\$ 25,573	\$ 6,890	\$ (295)	\$ 16,341	\$ 2,637	\$ 27,009	\$ 4,622	\$ 9,297	\$ 11,333	\$ 1,757
Profit (loss) for the period from discontinued operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,576)	\$ (276)	\$ (130)	\$ 266	\$ (5,436)
Basic earnings (loss) per share:										
Continuing operations	\$0.62	\$0.16	\$(0.01)	\$0.40	\$0.07	\$0.67	\$0.11	\$0.23	\$0.28	\$0.04
Discontinued operations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$(0.14)	\$(0.01)	\$0.00	\$0.01	\$(0.14)
Diluted earnings (loss) per share:										
Continuing operations	\$0.60	\$0.15	\$(0.01)	\$0.39	\$0.06	\$0.66	\$0.11	\$0.22	\$0.28	\$0.04
Discontinued operations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$(0.14)	\$(0.01)	\$0.00	\$0.01	\$(0.13)
Adjusted earnings (loss) per share	\$1.90	\$0.42	\$0.39	\$0.75	\$0.34	\$1.67	\$0.44	\$0.40	\$0.62	\$0.20
Weighted average number shares ('000s):										
Basic	41,684	43,945	41,159	41,049	40,552	40,159	40,380	40,240	40,115	39,896
Diluted	42,899	45,269	41,159	42,116	41,642	41,209	41,532	41,348	41,039	40,869

Our global Property Tax practice (which made up approximately 42% of total consolidated revenues in 2021) is subject to seasonal and cyclical variations which may impact overall quarterly results, which could potentially be more pronounced during the COVID-19 pandemic. Significant fluctuations on a quarterly basis arise as a result of the timing of contingency settlements and other factors, such as the wide-ranging variety of tax cycles across our various jurisdictions (which range from annual to seven-year cycles). We also experience some seasonal peaks in the U.K. and U.S. markets. In the U.K., the second quarter benefits from annuity billing starting in the second year of a new cycle, and in the U.S. we tend to experience higher volumes of settlements in the second and third quarters. We perform annuity billing in the U.K. for a significant number of our contracts that occur each April starting in the second year of the cycle. The revenues from the annuity billings are expected to grow cumulatively over the cycle as more cases are settled and as the volume of billable clients increases concurrent with case settlements. It should also be noted that since a higher portion of our revenues come from contingency contracts, the front-end of a cycle typically requires a ramp-up period in preparation for the appeals and therefore tends to have lower earnings than later in the cycles when more settlements are made and those revenues flow directly to the bottom line.

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Selected Annual Information

Selected Financial Information	For the year ended December 31,		
<i>In thousands of dollars, except for per share amounts</i>	2021	2020	2019
Operations			
Revenues	\$ 625,387	\$ 561,156	\$ 525,717
Adjusted EBITDA	\$ 109,755	\$ 98,928	\$ 84,709
Adjusted EBITDA margin	17.5%	17.6%	16.1%
Profit (loss) from continuing operations	\$ 25,573	\$ 27,009	\$ 23,891
Profit (loss) from discontinued operations	\$ -	\$ (5,576)	\$ (5,697)
Profit (loss)	\$ 25,573	\$ 21,433	\$ 18,194
Earnings (loss) per share:			
Basic			
Continuing operations	\$0.62	\$0.67	\$0.61
Discontinued operations	\$0.00	\$(0.14)	\$(0.14)
Diluted			
Continuing operations	\$0.60	\$0.66	\$0.60
Discontinued operations	\$0.00	\$(0.14)	\$(0.14)
Adjusted	\$1.90	\$1.67	\$1.43
Dividends declared per share	\$0.60	\$0.60	\$0.60

Balance Sheet	At December 31,		
	2021	2020	2019
Total assets	\$ 1,199,200	\$ 735,400	\$ 735,125
Long-term liabilities (excluding deferred income taxes)	372,042	191,521	79,950

Revenues were \$625.4 million for the year ended December 31, 2021, up 11.4% from 2020, of which approximately 6.3% was from acquisitions. Adjusted EBITDA was \$109.8 million for the year at a margin of 17.5%, up 10.9% from 2020, and profit (loss) for the year was \$25.6 million.

Revenues were \$561.2 million for the year ended December 31, 2020, up 6.7% from 2019, of which approximately 1.5% was from acquisitions. Adjusted EBITDA was \$98.9 million for the year at a margin of 17.6%, up 16.8% from 2019, and profit (loss) for the year was \$21.4 million.

Revenues were \$525.7 million for the year ended December 31, 2019, up 12.6% from 2018, of which approximately 2.7% was from acquisitions. Adjusted EBITDA was \$84.7 million for the year at a margin of 16.1%, up 25.9% from 2018, and profit (loss) for the year was \$18.2 million.

In each of the past three years we have declared and paid quarterly dividends totaling \$0.60 annually, per common share to the shareholders.

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Selected Highlights for 2020

Altus Data Studio Launch

In February 2020, we launched Altus Data Studio, which combined our legacy RealNet and Altus InSite products into one core platform. Altus Data Studio provides significant enhancements to the user experience and robust data visualization capabilities for our comprehensive coverage on the Canadian residential, office, industrial and CRE investment markets.

Amendment to Credit Facilities

On March 24, 2020, we amended and expanded our bank credit facilities to further strengthen our financial and liquidity position. The amended credit facilities increase our borrowing capacity to \$275 million from \$200 million, with certain provisions that allow us to further increase the limit to \$350 million. The amended agreement extends 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 bank credit facilities are unsecured.

Long-Term Equity Incentive Plan Revision

On May 6, 2020, our shareholders approved a resolution to increase the number of authorized common shares to be reserved for issuance under our Long-Term Equity Incentive Plan and to ratify the grant of awards made under it to executives and key employees. The resolution increases the maximum number of common shares reserved for issuance by 1,850,000 to 4,075,000.

Restructuring Activities

Beginning in Q2 2020, we initiated a global restructuring program across all our business segments which resulted in one-time restructuring costs of \$12.0 million and \$3.4 million for the year and quarter ended December 31, 2020, respectively, of which \$4.7 million and \$0.7 million related to Altus Analytics, and the balance to CRE Consulting and Corporate segments. These costs relate primarily 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.

Geomatics Spin-Off and Investment in the GeoVerra Joint Venture

On June 27, 2020, the previously announced transaction to divest of the Geomatics business by way of a joint venture structure with WSP Global Inc. closed. The combined entity launched as GeoVerra, forming 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. We account for our investment as a joint venture using the equity method.

CEO Transition

Effective September 30, 2020, Robert Courteau retired as CEO of Altus and was succeeded by Michael Gordon.

ARGUS Enterprise 13 Release

In October 2020, we released AE 13, which included enhancements for multi-family and mixed-use assets, improved German valuation functionality, increased visibility and reporting, and enhanced user experience with federated single sign-on. For many of our large customers, the single sign-on is a key requirement for cloud adoption.

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Acquisition of Property Tax Assistance Company Inc.

On December 1, 2020, we acquired certain operating assets of 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, we entered into non-compete agreements with key members of management of PTA. On closing, we paid cash of USD9.6 million (CAD12.5 million). In addition, we 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 will be held in escrow and will vest and be released equally over four years on each anniversary of the closing date, subject to continued employment 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.

Reached 1,000 AE Cloud Customer Milestone

In mid-December 2020, we surpassed over 1,000 cloud-enabled AE customers, reaching an important milestone in our cloud transition journey. The cloud-version of AE leverages data to deliver robust analytics and benchmarking capabilities and integration flexibility through APIs, allowing our customers to do more with their data to deliver greater visibility, increase efficiency and drive performance.

Selected Highlights for 2019

Altus Analytics Transition to Subscription Model

Starting in July 2019, we started to sell AE only on subscription terms to new customers (primarily on the cloud platform), while continuing to offer existing clients the option to license the software either on subscription terms (on the cloud or on-premise) or on-premise perpetual terms until the end of the year. The introduction of the new revenue and pricing model supports our strategy to migrate our current on-premise customers who are currently on maintenance contracts to cloud subscription contracts. As of the start of 2020, all of our Altus Analytics software products are being sold only on a subscription-based model.

ARGUS Enterprise Made Available on the Cloud

In July 2019, we launched AE 12, a new version of AE powered by ARGUS Cloud. AE 12 builds on the strength of our industry leading CRE valuation capabilities and now includes cloud-only deployment and multi-instance support of AE, new benchmarking and dashboard functionality, enhanced workflows through integration with ARGUS Taliance and ARGUS Voyanta, and support for German and French market valuations.

Acquisition of One11 Advisors, LLC

On July 1, 2019, we acquired all the issued and outstanding shares of One11 and its subsidiaries for USD11.0 million (CAD14.4 million) in cash and common shares, subject to closing working capital adjustments of USD0.6 million (CAD0.8 million). As part of the transaction, we entered into non-compete agreements with key members of management of One11. On closing, we paid cash of USD7.7 million (CAD10.1 million). Common shares valued at USD3.3 million (CAD4.3 million) were issued from treasury. The common shares will be held in escrow and released on the fourth anniversary of the closing date, subject to compliance with certain terms and conditions. One11 is a U.S.-based real estate software consulting firm that provides integrated advisory and managed services for real estate organizations' front-to-back-office strategies, processes and technology. The addition of One11, and its 20 employees, strengthens our Altus Analytics software services and managed services offerings.

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Acquisition of Caruthers & Associates, Inc.

On July 1, 2019, we acquired certain operating assets of Caruthers for USD4.0 million (CAD5.2 million) in cash, common shares and contingent consideration, subject to working capital adjustments of USD0.1 million (CAD0.2 million). As part of the transaction, we entered into a non-compete agreement with a key member of management of Caruthers. As consideration for these assets, we paid cash of USD2.0 million (CAD2.6 million), and issued common shares valued at USD1.0 million (CAD1.3 million) from treasury. The common shares will be held in escrow and released on the third anniversary of the closing date, subject to compliance with certain terms and conditions. The purchase agreement provides for contingent consideration of USD1.0 million (CAD1.3 million), subject to certain performance targets being achieved over a 30-month period from the closing date. If mutually agreed upon, the contingent consideration may be settled in cash or by the issuance of common shares. Caruthers is a U.S.-based property tax consulting firm. Its team of seven employees based out of Memphis were integrated with our U.S. Property Tax business, expanding our geographic footprint in tax services in the U.S.

Share Data

As at February 23, 2022, 44,113,385 common shares were outstanding and are net of 703,338 treasury shares. These treasury shares are shares held by Altus, which are subject to restrictive covenants and may or may not vest for employees. Accordingly, these shares are not included in the total number of common shares outstanding for financial reporting purposes and are not included in basic earnings per share calculations.

As at December 31, 2021, there were 1,469,881 share options outstanding (December 31, 2020 - 1,791,682 share options outstanding) at a weighted average exercise price of \$41.39 per share (December 31, 2020 - \$35.78 per share) and 454,286 share options were exercisable (December 31, 2020 - 453,517). All share options are exercisable into common shares on a one-for-one basis.

Shareholders who are resident in Canada may elect to automatically reinvest quarterly dividends in additional Altus common shares under our Dividend Reinvestment Plan ("DRIP").

Pursuant to the DRIP, and in the case where common shares are issued from treasury, cash dividends will be reinvested in additional Altus common shares at the weighted average market price of our common shares for the five trading days immediately preceding the relevant dividend payment date, less a discount, currently set at 4%. In the case where common shares will be purchased on the open market, cash dividends will be reinvested in additional Altus common shares at the relevant average market price paid in respect of satisfying this reinvestment plan.

For the year ended December 31, 2021, 59,423 common shares (2020 - 56,027 common shares) were issued under the DRIP.

Financial Instruments and Other Instruments

Financial instruments held in the normal course of business included in our consolidated balance sheet as at December 31, 2021 consist of cash and cash equivalents, trade receivables and other (excluding deferred costs to obtain customer contracts and prepayments), trade payables and other (excluding contract liabilities), income taxes recoverable and payable, investments, borrowings and derivative financial instruments. We do not enter into financial instrument arrangements for speculative purposes.

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The fair values of the short-term financial instruments approximate their carrying values. The fair values of borrowings are not significantly different than their carrying values, as these instruments bear interest at rates comparable to current market rates. The fair values of other long-term assets and liabilities, and contingent consideration payables are measured using a discounted cash flow analysis of expected cash flows in future periods. The investments in equity instruments are measured based on valuations of the respective entities. Investments in partnerships are measured in relation to the fair value of assets in the respective partnerships.

The fair value of the liabilities for our RSUs and DSUs as at December 31, 2021 was approximately \$28.1 million, based on the published trading price on the TSX for our common shares.

We are exposed to interest rate risk in the event of fluctuations in the Canadian Prime rates, Canadian Bankers' Acceptance rates, U.S. Base rates, or SONIA, SOFR, and €STR rates, as the interest rates on the bank credit facilities fluctuate with changes in these rates.

To mitigate our exposure to interest rate fluctuations, we monitor interest rates and consider entering into interest rate swap agreements in connection with our bank credit facilities.

We are exposed to price risk as the liabilities for cash-settled plans are classified as fair value through profit or loss, and linked to the price of our common shares.

We enter into equity derivatives to manage our exposure to changes in the fair value of RSUs and DSUs, issued under their respective plans, due to changes in the fair value of our common shares. Changes in the fair value of these derivatives are recorded as employee compensation expense and offset the impact of mark-to-market adjustments on the RSUs and DSUs that have been accrued.

As at December 31, 2021, we have equity derivatives relating to RSUs and DSUs outstanding with a notional amount of \$14.7 million. The net fair value of these derivatives is \$21.5 million in our favour.

We are exposed to credit risk with respect to our cash and cash equivalents, trade receivables and other and derivative financial instruments. Credit risk is not concentrated with any particular customer. In certain parts of our business, it is often common business practice of our customers to pay invoices over an extended period of time and/or at the completion of the project or on receipt of funds. In addition, the COVID-19 pandemic has introduced additional credit risk. We assess lifetime expected credit losses for all trade receivables and contract assets for unbilled revenue on customer contracts by grouping customers with shared credit risk characteristics, the days past due, and by incorporating forward-looking information as applicable.

Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. We manage liquidity risk through the management of our capital structure and financial leverage. We also manage liquidity risk by continuously monitoring actual and projected cash flows, taking into account the seasonality of our revenues and receipts and the maturity profile of our financial assets and liabilities. Our Board of Directors reviews and approves our operating and capital budgets, as well as any material transactions outside the ordinary course of business, including proposals on mergers, acquisitions or other major investments.

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Contingencies

From time to time, we or our subsidiaries are involved in legal proceedings, claims and litigation in the ordinary course of business with customers, former employees and other parties. Although it is not possible to determine the final outcome of such matters, based on all currently available information, we believe that our liabilities, if any, arising from such matters will not have a material adverse effect on our financial position or results of operations and have been adequately provided for in the financial statements.

In the ordinary course of business, we are subject to tax audits from various government agencies relating to income and commodity taxes. As a result, from time to time, the tax authorities may disagree with the positions and conclusions we made in our tax filings, which could lead to assessments and reassessments. These assessments and reassessments may have a material adverse effect on our financial position or results of operations.

Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. It also requires management to exercise its judgment in applying our accounting policies and the reported amounts of assets and liabilities, revenue and expenses, and related disclosures. Estimates and judgments are continually evaluated and are based on current facts, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. The continued spread of this contagious disease outbreak and related public health developments have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn and to legislative and regulatory changes that have impacted our business and operations. The duration and magnitude of the impact of the outbreak and its potential adverse effects on our business or results of operations continue to be uncertain and will depend on future developments. Judgments made in the December 31, 2021 financial statements reflect management's best estimates as of the year end, taking into consideration the most significant judgments that may be directly impacted by COVID-19. Management's significant estimates and assumptions that could be impacted most by COVID-19 are: revenue recognition and determination and allocation of the transaction price, impairment of trade receivables and contract assets, and estimated impairment of goodwill.

On June 13, 2021, we experienced a cybersecurity incident impacting some of our IT back-office systems. As part of our cybersecurity and business continuity protocols, manual instances of controls and processes were adopted where automated integrations or systems access were temporarily unavailable. As a result, there were no significant changes in our controls or significant assumptions and estimates that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting or financial statements.

The following discussion sets forth management's most significant estimates and assumptions in determining the value of assets and liabilities and the most significant judgments in applying accounting policies.

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Revenue Recognition and Determination and Allocation of the Transaction Price

We estimate variable consideration for contingency arrangements on a project-by-project basis. Variable consideration is not constrained only to the extent that it is highly probable that the amount will not be subject to significant reversal when the uncertainty is resolved, which is when savings are realized by the customer, unless the contractual terms provide for an enforceable right to payment for performance completed.

The transaction price is allocated on the basis of the relative standalone selling prices for contracts with more than one performance obligation. Estimation of the standalone selling price involves reasonably available data points, market conditions, entity-specific factors and information about the customer or class of customer and to similar customers as evidence of the standalone selling price for each performance obligation; however when one is not available, the standalone selling price is estimated. Where the observable price is not available, based on the specific facts and circumstances, either the adjusted market assessment or the expected cost plus a margin approach is applied. The determination of the standalone selling prices requires significant judgment.

Impairment of Trade Receivables and Contract Assets

The impairment provisions for trade receivables and contract assets determined under IFRS 9, *Financial Instruments*, are based on assumptions about the risk of default and expected loss rates. We use judgment in making these assumptions and selecting the inputs to the impairment calculation based on our past history, existing market conditions, including COVID-19 considerations, and forward-looking estimates at the end of each reporting period. Such estimates and judgments could impact trade receivables, contract assets for unbilled revenue on customer contracts and office and other operating expenses.

Estimated Impairment of Goodwill

We test at least annually whether goodwill is subject to any impairment. Goodwill impairment is evaluated between annual tests upon the occurrence of events or changes in circumstances. Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or group of CGUs that are expected to benefit from synergies of the business combination in which the goodwill arose. Goodwill is tested for impairment in the groups of CGUs for which it is monitored by management. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount for any CGU is determined based on the higher of fair value less costs to sell and value in use. Both of the valuation approaches require the use of estimates. Significant erosion in the general state of the economy could result in increased impairment losses. For the year ended December 31, 2021, no goodwill impairment charge was recorded (2020 - \$nil).

Determination of Purchase Price Allocations and Contingent Consideration

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Judgments are also made in determining whether any consideration transferred for an acquisition relates to future compensation arrangements and are therefore to be excluded from the purchase price allocation. Furthermore, estimates are made in determining the value of contingent consideration payments that should be recorded as part of the consideration on the date of acquisition and changes in contingent consideration payable in subsequent reporting periods. Contingent consideration payments are generally based on acquired businesses achieving certain performance targets. The estimates are based on our best assessment of the related inputs used in the valuation models, such as future cash flows and discount rates. Future

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performance results that differ from our estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss.

Income Taxes

We are subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income taxes in the period in which such determination is made.

Changes in Significant Accounting Policies and Estimates

Adoption of Recent Accounting Pronouncements

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

In September 2019, the IASB issued amendments to IFRS 7, *Financial Instruments and Disclosures*, IFRS 9, *Financial Instruments*, and IAS 39, *Financial Instruments: Recognition and Measurement*, to provide reliefs applying to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments were effective for annual periods beginning on or after January 1, 2020.

In August 2020, the IASB issued further amendments to provide a practical expedient from discontinuing hedging relationships and the related hedge accounting treatment as a result of the interest rate benchmark reform as well as additional disclosures. The disclosures are to provide additional information on the effect of the reform on our financial instruments and risk management strategy. These amendments apply retrospectively and are effective for annual periods beginning on or after January 1, 2021 with earlier application permitted; however, companies are not required to restate prior periods. These amendments had no impact on our financial statements.

Amendment to IFRS 16, COVID-19-Related Rent Concessions beyond June 30, 2021

In March 2021, the IASB extended, by one year, the May 2020 amendment that permits lessees, as a practical expedient, not to assess whether particular rent concessions that reduce lease payments occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.

The amendment is effective for annual periods beginning on or after April 1, 2021, with earlier application permitted. The amendment did not have an impact on our financial statements.

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Future Accounting Pronouncements

We have not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Deferral of Effective Date

In January 2020, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date. These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether we have a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether we will exercise our rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On July 15, 2020, the IASB issued a deferral of the effective date for the new guidance by one year to annual periods beginning on or after January 1, 2023 and is to be applied retrospectively. We have not yet determined the impact of these amendments on our financial statements.

Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, to specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract and can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The new guidance will be effective for annual periods beginning on or after January 1, 2022 and is to be applied to contracts that have unfulfilled obligations as at the beginning of that period. We expect the impact of these amendments on our financial statements to not be material.

Amendments to IFRS 3: Reference to the Conceptual Framework

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

The new guidance is effective for annual periods beginning on or after January 1, 2022 and must be applied prospectively. We have not yet determined the impact of these amendments on our financial statements.

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Amendments to IAS 8: Definition of Accounting Estimate

In February 2021, the IASB issued amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments also clarify the measurement techniques and inputs used to develop accounting estimates.

The new guidance will be effective for annual periods beginning on or after January 1, 2023, with earlier application permitted, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, and IFRS Practice Statement 2, *Making Materiality Judgments*, to provide guidance in the application of materiality judgments to accounting policy disclosures. These amendments also replaced the requirement for disclosures around 'significant' accounting policies with a requirement to disclose 'material' accounting policies.

The amendment is effective for annual periods beginning on or after January 1, 2023, with earlier application permitted as long as this fact is disclosed. We expect the impact of these amendments on our financial statements to not be material.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

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

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

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

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

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Management has limited the scope of the design of DC&P and ICFR, consistent with previous practice, to exclude controls, policies and procedures of Finance Active acquired on April 1, 2021, StratoDem Analytics acquired on May 4, 2021 and Reonomy acquired on November 12, 2021.

Financial information of the businesses acquired is summarized below.

Balance sheet data for Finance Active:

<i>In thousands of dollars</i>	December 31, 2021	
Assets	\$	196,034
Liabilities		(57,917)
Equity		138,117

Income statement data for Finance Active:

<i>In thousands of dollars</i>	Year ended December 31, 2021	
Revenues	\$	26,092
Expenses		33,211
Profit (loss)		(7,119)
Adjusted EBITDA		3,719

Income statement data for StratoDem Analytics:

<i>In thousands of dollars</i>	Year ended December 31, 2021	
Revenues	\$	338
Expenses		(2,358)
Profit (loss)		(2,020)
Adjusted EBITDA		(843)

Balance sheet data for Reonomy:

<i>In thousands of dollars</i>	December 31, 2021	
Assets	\$	300,625
Liabilities		(28,456)
Equity		272,169

Income statement data for Reonomy:

<i>In thousands of dollars</i>	Year ended December 31, 2021	
Revenues	\$	2,554
Expenses		5,901
Profit (loss)		(3,347)
Adjusted EBITDA		(3,029)

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Management has caused to be evaluated under its supervision the effectiveness of its DC&P as of December 31, 2021 and has concluded that the design and effectiveness of these controls and procedures provide reasonable assurance that material information relating to Altus, including our consolidated subsidiaries, was made known to management on a timely basis to ensure adequate disclosure.

Management has caused to be evaluated under its supervision the effectiveness of its ICFR as of December 31, 2021 using the COSO framework. Management has concluded that the overall design and effectiveness of these controls provide reasonable assurance of the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.

There have been no significant changes in our internal controls over financial reporting that occurred for the quarter ended December 31, 2021, the most recently completed interim period, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

The audit committee and our Board of Directors have reviewed and approved this MD&A and the financial statements as at and for the year ended December 31, 2021.

Key Factors Affecting the Business

The risks and uncertainties that could significantly affect our business, prospects, financial condition and future results of operations are summarized below.

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. In addition, the COVID-19 pandemic has created increased economic uncertainty. 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.

COVID-19 Pandemic

The extent to which the COVID-19 pandemic may impact our business is uncertain and it could materially adversely affect our prospects, financial condition and results of operations. The COVID-19 pandemic and related public health developments, including government recommendations and measures to limit the spread which include travel restrictions, temporary closures of businesses and the adoption of remote working, continue to adversely affect workforces, economies, and financial markets globally and contributes to macroeconomic uncertainty. The duration, extent and severity of the impact the COVID-19 pandemic, including measures to prevent its spread, will have on our business remains uncertain and difficult to predict at this time. While we were able to transition to remote working without significant disruption, some of our customers and prospects' operations have been disrupted. As of the date of this MD&A, many of our offices, clients and prospects remain subject to limitations and restrictions set to reduce the spread of COVID-19, and a significant portion of our employees continue to work remotely.

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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 customer base, retaining existing customers, and expanding our customers' usage and adoption of our offerings and services on favourable terms. Customer retention and acquisition could be influenced by a number of factors, including customer satisfaction, pricing and relative value of our offerings, changes in products and services, clients' 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 cyclicalities, 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.

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 customers, securities analysts or investors. Although the CRE market remains highly fragmented, ongoing consolidation activity may limit

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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 customers could also weaken our competitive position. These heightened competitive forces could impact our market share, sales, margins, and pricing strategies that 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 sensitive data belonging to clients, partners, vendors, employees and contractors as well as our own proprietary business information and intellectual property. Additionally, we are increasingly relying on third party data storage providers, including cloud storage solution providers, resulting in less direct control over 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. 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

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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.

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 customer 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.

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 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 Altus Analytics business segment to a SaaS business by migrating our on-premise software customers to the cloud and offering all of our solutions on Over Time subscription contracts. Migrating our legacy on-premise customers to the cloud platform is core to our long-term strategy and has required considerable additional investments. If moving our customers to a cloud environment takes longer than we anticipate, or if customers 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: customer demand, renewal rates, our ability to further develop and scale infrastructure, our ability to

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develop new functionality that addresses customer 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 customers that purchase our solutions as subscriptions and create a recurring revenue stream that increases and is more predictable over time, our customers are not required to renew their subscriptions for our solutions and they may elect not to renew when or as we expect. Customer renewal rates may decline or fluctuate due to a number of factors, including offering pricing, competitive offerings, customer satisfaction, reductions in customer spending levels or customer activity due to economic downturns, and other market uncertainty. If our customers 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 Altus 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.

Customer 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

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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 customers 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 in 2021, the ongoing COVID-19 pandemic could continue to potentially impact some of these typical variations, and 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 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

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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 personal information. This information is increasingly subject to legislation and regulations in numerous jurisdictions around the world that is 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 European Union's General Data Protection Regulation ("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 customers 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 customers 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.

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 customer 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 customer 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

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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. Increasing reliance on fixed-price engagements 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.

Canadian Multi-Unit Residential Market

A significant part of our Canadian Cost practice's annual revenues are derived from the multi-unit residential development market. Any significant decline in the multi-unit residential development market could have a material adverse effect on our Canadian Cost practice's operating results.

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).

The exchange rate between the Canadian dollar and the U.S. dollar ranged from \$1.2741 on December 31, 2020 to \$1.2697 on December 31, 2021. The exchange rate between the Canadian dollar and the British pound ranged from \$1.7390 on December 31, 2020 to \$1.7155 on December 31, 2021. The exchange rate between the Canadian dollar and the Australian dollar ranged from \$0.9820 on December 31, 2020 to \$0.9220 on December 31, 2021. For the year and quarter ended December 31, 2021, changes in exchange rates impacted consolidated revenues by 3.3% and 3.1%, respectively. For the year and quarter ended December 31, 2021, changes in exchange rates impacted consolidated Adjusted EBITDA by 4.2% and 4.6%, respectively.

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. In addition, the

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COVID-19 pandemic has introduced additional credit risk. 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, including construction worksites in the case of our Canadian Cost practice. 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 as well as 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. 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.

Insurance Limits

Management believes that our 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

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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.

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 or make other payments or advances is subject to applicable laws and contractual restrictions contained in the instruments 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 numerous financial covenants that limit the discretion of our management with respect to certain business matters. These covenants place significant restrictions on, 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 merge or consolidate with another entity. In addition, the bank credit facilities contain a number of financial covenants that require us to meet certain financial ratios and financial condition tests. Failure to comply with the obligations provided in the bank credit facilities could result in a default which, if not cured or waived, could result in the termination of dividends paid by us and accelerate 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 our assets would be sufficient to repay the relevant indebtedness in full. There can be no assurance that future borrowings or equity financing will be available to us or available on acceptable terms, in an amount sufficient to fund our needs. 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 may 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.

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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.

Additional Information

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



Altus Group Limited

Consolidated Financial Statements
December 31, 2021 and 2020
(Expressed in Thousands of Canadian Dollars)

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Altus Group Limited are the responsibility of management and have been reviewed and approved by the Board of Directors of Altus Group Limited. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgments. Management has also prepared financial and all other information in the Annual Shareholders' Report and has ensured that this information is consistent with the consolidated financial statements.

Altus Group Limited maintains appropriate systems of internal control, policies and procedures, which provide management with reasonable assurance that assets are safeguarded and the financial records are reliable and form a proper basis for the preparation of the consolidated financial statements.

The Board of Directors of Altus Group Limited ensures that management fulfills its responsibilities for financial reporting and internal control through an Audit Committee. This committee reviews the consolidated financial statements and reports to the Board of Directors. The committee meets with the auditor to discuss the results of the audit, the adequacy of internal accounting controls and financial reporting matters.

The consolidated financial statements have been independently audited by Ernst & Young LLP in accordance with Canadian generally accepted auditing standards. Their report that follows expresses their opinion on the consolidated financial statements of the Company.

"Michael Gordon"

Michael Gordon
Chief Executive Officer
February 24, 2022

"Angelo Bartolini"

Angelo Bartolini
Chief Financial Officer
February 24, 2022

Independent auditor's report

To the Shareholders of
Altus Group Limited

Opinion

We have audited the consolidated financial statements of Altus Group Limited and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter

Business combinations – valuation of acquired intangible assets

On April 1 and November 12, 2021, the Group completed the acquisitions of Finance Active SAS and Scryer, Inc. (d/b/a Reonomy) (“Reonomy”) for total consideration of approximately \$157M and \$276M, respectively. The Group accounted for the acquisitions under the acquisition method of accounting for business combinations. The purchase price of each was funded with cash and share consideration, a portion of which relates to future employee compensation, and was allocated to assets acquired, and liabilities assumed as disclosed in Note 6 of the consolidated financial statements. The purchase price allocations are based on management’s best estimates of fair value as at the respective acquisition dates. The Group discloses significant judgments, estimates and assumptions and the results of their analyses in respect of business combinations in Notes 5 and 6 to the consolidated financial statements.

Auditing business combinations is complex due to the subjective nature of estimating the fair values of identified assets and liabilities as at the date of the acquisitions, particularly intangible assets. Management uses significant judgment in evaluating the inputs and assumptions used in their determination of fair value. The fair values of acquired intangible assets are subject to higher estimation uncertainty due to management’s judgment in determining key assumptions that include revenue growth, earnings margins and discount rates. Changes to these significant assumptions could have a significant impact on the fair value of acquired intangible assets and the related amortization in future periods.

In the current year, the acquisitions of Finance Active SAS and Reonomy were significantly larger than those in recent history and material to the consolidated financial statements. This matter was identified as a key audit matter due to the significant judgment, primarily due to the sensitivity of the significant assumptions described above regarding the future cash flows and the effect that changes in these assumptions would have on the purchase price allocation and amortization expense in future periods.

How our audit addressed the key audit matter

Our audit procedures included the following, among others:

We reviewed the purchase agreements to obtain an understanding of the key terms and conditions to identify the necessary accounting considerations and identification of assets and liabilities acquired.

We validated the purchase consideration by considering the component of share consideration to be classified as future employee compensation expense and therefore excluded from the purchase price allocation.

With the assistance of our valuation specialists, we evaluated the Group’s model, valuation methodology and the various inputs utilized, including the discount rate by referencing current industry and comparable company information as well as cash flow and company specific risks.

We evaluated the reasonableness of significant assumptions and estimates used by management, including revenue growth, and earnings margins by considering the past performance of the acquired business, similar acquisitions made by the Group, comparing management’s past projections to actual and historical performance, as well as available third-party published economic and industry data. We performed a sensitivity analysis on significant assumptions, including revenue growth rates, earnings margin, and discount rates.

We assessed the adequacy of the Group’s disclosure included in Note 5 – Critical Accounting Estimates and Judgments and Note 6 – Acquisitions, of the accompanying consolidated financial statements in relation to this matter.

Goodwill asset impairment

As at December 31, 2021, the Group has \$467M of goodwill. Management assesses at least annually, or at any time if an indicator of impairment exists, whether there has been an impairment loss in the carrying value of goodwill. When performing impairment tests, the Group estimates the recoverable amount of the cash generating units ("CGUs") to which goodwill has been allocated using a discounted cash flow model to estimate the fair value less costs to sell. The Group discloses significant judgments, estimates and assumptions and the result of their analysis in respect of impairment in Note 20 to the consolidated financial statements.

Significant assumptions included cash flow projections, revenue growth rate, EBITDA margins, perpetual growth rates, and business-specific discount rates, which are affected by expectations about future market and economic conditions, including impacts of the global pandemic (COVID-19).

Based on our knowledge of the Group's businesses and considering the performance of the different CGUs, we identify CGUs with significant goodwill balances, specific risk factors, and lower excess headroom in the recoverable amount compared to carrying amount of the related CGUs.

This matter was identified as a key audit matter in respect of the Canada RVA and North America Cost CGUs due to the significant estimation uncertainty and judgment applied by management in determining the recoverable amount, primarily due to the sensitivity of the significant assumptions described above to the future cash flows and the effect that changes in these assumptions would have on the recoverable amount of these CGUs.

To test the estimated recoverable amount of the Canada RVA and North America Cost CGUs, our audit procedures included the following, among others:

We assessed methodologies and the significant assumptions discussed above and underlying data used by the Group in its analysis with the assistance of our valuation specialists.

We assessed the selection and application of the discount rate by evaluating the inputs and mathematical accuracy of the calculation.

We assessed the historical accuracy of management's estimates on cash flow projections, revenue growth rates and earnings margins by comparing management's past projections to actual and historical performance. We also compared the revenue growth rates to current industry, market and economic trends.

We performed a sensitivity analysis on significant assumptions, including EBITDA margins and discount rates, to evaluate impact on the recoverable amount of the Canada RVA and North America Cost CGUs that would result from changes in the assumptions.

We also assessed the adequacy of the Group's disclosures included in Note 20 of the accompanying consolidated financial statements in relation to this matter.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis; and
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Mark Vrooman, CPA, CA.

Toronto, Canada
February 24, 2022

"Ernst & Young LLP"
Chartered Professional Accountants
Licensed Public Accountants

Consolidated Statements of Comprehensive Income (Loss)

For the Years Ended December 31, 2021 and 2020

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

	Notes	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenues	7	\$ 625,387	\$ 561,156
Expenses			
Employee compensation	8	401,455	354,951
Occupancy	17	7,743	7,591
Office and other operating		123,023	102,193
Depreciation of right-of-use assets	17	12,119	11,210
Depreciation of property, plant and equipment	18	5,446	5,620
Amortization of intangibles	19	29,017	24,784
Acquisition and related transition costs (income)	6	10,137	(887)
Share of (profit) loss of joint venture	16	(1,187)	(459)
Restructuring costs (recovery)	21	15	11,984
(Gain) loss on investments	15	(2,930)	(21)
Finance costs (income), net - leases	9, 17	2,219	2,494
Finance costs (income), net - other	9	4,130	4,138
Profit (loss) from continuing operations before income taxes		34,200	37,558
Income tax expense (recovery)	10	8,627	10,549
Profit (loss) for the year from continuing operations		\$ 25,573	\$ 27,009
Profit (loss) for the year from discontinued operations	11	-	(5,576)
Profit (loss) for the year attributable to:			
Non-controlling interest		(115)	-
Shareholders of the Company		25,688	21,433
Profit (loss) for the year		\$ 25,573	\$ 21,433
Other comprehensive income (loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Currency translation differences	25	(4,828)	1,533
Items that are not reclassified to profit or loss in subsequent periods:			
Change in fair value of FVOCI investments, net of tax	15, 25	2,476	(987)
Other comprehensive income (loss), net of tax		(2,352)	546
Comprehensive income (loss) for the year, net of tax, attributable to:			
Non-controlling interest		(115)	-
Shareholders of the Company		23,336	21,979
Total comprehensive income (loss) for the year, net of tax		\$ 23,221	\$ 21,979
Earnings (loss) per share attributable to the shareholders of the Company during the year			
Basic earnings (loss) per share:			
Continuing operations	27	\$0.62	\$0.67
Discontinued operations	27	\$0.00	\$(0.14)
Diluted earnings (loss) per share:			
Continuing operations	27	\$0.60	\$0.66
Discontinued operations	27	\$0.00	\$(0.14)

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

Consolidated Balance Sheets As at December 31, 2021 and 2020 (Expressed in Thousands of Canadian Dollars)

	Notes	December 31, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents	12	\$ 51,271	\$ 69,637
Trade receivables and other	13	223,315	193,072
Income taxes recoverable		3,280	3,385
Derivative financial instruments	14	5,868	2,477
		283,734	268,571
Non-current assets			
Trade receivables and other	13	2,818	1,370
Derivative financial instruments	14	15,661	8,800
Investments	15	20,806	10,356
Investment in joint venture	16	16,496	15,309
Deferred tax assets	10	24,089	19,930
Right-of-use assets	17	59,992	51,690
Property, plant and equipment	18	21,624	20,376
Intangibles	19	286,670	77,928
Goodwill	20	467,310	261,070
		915,466	466,829
Total Assets		\$ 1,199,200	\$ 735,400
Liabilities			
Current liabilities			
Trade payables and other	21	\$ 193,388	\$ 140,294
Income taxes payable		2,629	1,190
Lease liabilities	17	13,914	11,700
		209,931	153,184
Non-current liabilities			
Trade payables and other	21	24,913	17,206
Lease liabilities	17	57,225	51,883
Borrowings	22	286,924	122,432
Deferred tax liabilities	10	27,864	7,246
Non-controlling interest	6	2,980	-
		399,906	198,767
Total Liabilities		609,837	351,951
Shareholders' Equity			
Share capital	23	726,325	529,866
Contributed surplus	24	42,364	30,428
Accumulated other comprehensive income (loss)	25	38,439	40,791
Other equity	6	(244)	-
Retained earnings (deficit)		(217,406)	(217,636)
Equity attributable to the shareholders of the Company		589,478	383,449
Non-controlling interest		(115)	-
Total Shareholders' Equity		589,363	383,449
Total Liabilities and Shareholders' Equity		\$ 1,199,200	\$ 735,400

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

Commitments and Contingencies (Note 31)

Approved on behalf of the Board of Directors

"Raymond Mikulich"

Raymond Mikulich

"Janet Woodruff"

Janet Woodruff

Consolidated Statements of Changes in Equity For the Years Ended December 31, 2021 and 2020 (Expressed in Thousands of Canadian Dollars)

	Notes	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Other Equity	Retained Earnings (Deficit)	Total	Non-controlling interest	Total Shareholders' Equity
As at January 1, 2020		\$ 509,646	\$ 24,447	\$ 40,245	\$ -	\$ (214,686)	\$ 359,652	\$ -	\$ 359,652
Profit (loss) for the year		-	-	-	-	21,433	21,433	-	21,433
Other comprehensive income (loss), net of tax:									
Currency translation differences		-	-	1,533	-	-	1,533	-	1,533
Change in fair value of FVOCI investments		-	-	(987)	-	-	(987)	-	(987)
Total comprehensive income (loss) for the year		-	-	546	-	21,433	21,979	-	21,979
Transactions with owners:									
Dividends declared		-	-	-	-	(24,383)	(24,383)	-	(24,383)
Share-based compensation		-	15,398	-	-	-	15,398	-	15,398
Dividend Reinvestment Plan		2,429	-	-	-	-	2,429	-	2,429
Shares issued on exercise of options		14,150	(2,162)	-	-	-	11,988	-	11,988
Shares issued for share-based compensation		6,984	(2,098)	-	-	-	4,886	-	4,886
Treasury shares reserved for share-based compensation		(8,923)	-	-	-	-	(8,923)	-	(8,923)
Release of treasury shares		5,580	(5,144)	-	-	-	436	-	436
Gain (loss) on sale of RSs and shares held in escrow		-	(13)	-	-	-	(13)	-	(13)
		20,220	5,981	-	-	(24,383)	1,818	-	1,818
As at December 31, 2020		\$ 529,866	\$ 30,428	\$ 40,791	\$ -	\$ (217,636)	\$ 383,449	\$ -	\$ 383,449
As at January 1, 2021		\$ 529,866	\$ 30,428	\$ 40,791	\$ -	\$ (217,636)	\$ 383,449	\$ -	\$ 383,449
Profit (loss) for the year		-	-	-	-	25,688	25,688	(115)	25,573
Change in fair value of non-controlling interest liability	6	-	-	-	(244)	-	(244)	-	(244)
Other comprehensive income (loss), net of tax:									
Currency translation differences	25	-	-	(4,828)	-	-	(4,828)	-	(4,828)
Change in fair value of FVOCI investments	25	-	-	2,476	-	-	2,476	-	2,476
Total comprehensive income (loss) for the year		-	-	(2,352)	(244)	25,688	23,092	(115)	22,977
Transactions with owners:									
Dividends declared	28	-	-	-	-	(25,458)	(25,458)	-	(25,458)
Share-based compensation	24, 26	-	23,938	-	-	-	23,938	-	23,938
Issued on bought deal financing	23	164,771	-	-	-	-	164,771	-	164,771
Dividend Reinvestment Plan	23	3,294	-	-	-	-	3,294	-	3,294
Shares issued on exercise of options	23, 24, 26	16,296	(2,482)	-	-	-	13,814	-	13,814
Shares issued for share-based compensation	23, 24, 26	26,971	(2,585)	-	-	-	24,386	-	24,386
Treasury shares reserved for share-based compensation	23, 26	(30,786)	-	-	-	-	(30,786)	-	(30,786)
Shares issued on acquisition	23, 26	8,362	-	-	-	-	8,362	-	8,362
Release of treasury shares	23, 24, 26	7,551	(7,023)	-	-	-	528	-	528
Gain (loss) on sale of RSs and shares held in escrow	24	-	88	-	-	-	88	-	88
		196,459	11,936	-	-	(25,458)	182,937	-	182,937
As at December 31, 2021		\$ 726,325	\$ 42,364	\$ 38,439	\$ (244)	\$ (217,406)	\$ 589,478	\$ (115)	\$ 589,363

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

Consolidated Statements of Cash Flows For the Years Ended December 31, 2021 and 2020 (Expressed in Thousands of Canadian Dollars)

Notes	For the year ended December 31, 2021	For the year ended December 31, 2020
Cash flows from operating activities		
Profit (loss) from continuing operations before income taxes	\$ 34,200	\$ 37,558
Profit (loss) from discontinued operations before income taxes	-	(5,576)
Profit (loss) before income taxes	\$ 34,200	\$ 31,982
Adjustments for:		
Depreciation of right-of-use assets	17 12,119	11,262
Depreciation of property, plant and equipment	18 5,446	5,731
Amortization of intangibles	19 29,017	24,785
Finance costs (income), net - leases	9 2,219	2,559
Finance costs (income), net - other	9 4,130	4,123
Share-based compensation	24, 26 23,938	15,398
Unrealized foreign exchange (gain) loss	1,104	165
(Gain) loss on investments	15 (2,930)	(21)
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles	(248)	518
(Gain) loss on derivatives	14 (10,252)	(3,991)
Share of (profit) loss of joint venture	16 (1,187)	(459)
Impairment charge - leases	-	36
Fair value loss (gain) on net assets directly associated with discontinued operations	11 -	5,163
(Gain) loss on sale of the discontinued operations	11 -	(483)
Net changes in operating working capital	(18,832)	(1,910)
Net cash generated by (used in) operations	78,724	94,858
Less: interest paid on borrowings	(3,606)	(3,547)
Less: interest paid on leases	(2,219)	(2,559)
Less: income taxes paid	(19,547)	(19,051)
Add: income taxes refunded	2,956	2,599
Net cash provided by (used in) operating activities	56,308	72,300
Cash flows from financing activities		
Proceeds from exercise of options	23, 24, 26 13,814	11,988
Proceeds from share issuance, net of transaction costs	23 164,771	-
Financing fees paid	(414)	(723)
Proceeds from borrowings	22 341,024	38,135
Repayment of borrowings	22 (178,819)	(53,265)
Payments of principal on lease liabilities	17 (12,070)	(11,960)
Dividends paid	28 (21,564)	(21,859)
Treasury shares purchased for share-based compensation	23, 26 (6,312)	(3,614)
Net cash provided by (used in) financing activities	300,430	(41,298)
Cash flows from investing activities		
Purchase of investments	15 (4,157)	(365)
Cash contribution to investment in joint venture	11 -	(3,794)
Purchase of intangibles	19 (4,664)	(770)
Purchase of property, plant and equipment	18 (5,965)	(3,580)
Proceeds from disposal of property, plant and equipment and intangibles	-	96
Proceeds from investment	15 326	-
Acquisitions, net of cash acquired	6 (358,855)	(12,490)
Net cash provided by (used in) investing activities	(373,315)	(20,903)
Effect of foreign currency translation	(1,789)	(724)
Net increase (decrease) in cash and cash equivalents	(18,366)	9,375
Cash and cash equivalents, beginning of year	69,637	60,262
Cash and cash equivalents, end of year	\$ 51,271	\$ 69,637

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

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

1. Business and Structure

Altus Group Limited (the “Company”) provides the global commercial real estate (“CRE”) industry with vital actionable intelligence solutions driven by its ARGUS technology, asset level data, and market leading expertise. The Company’s solutions for the valuation, performance, and risk management of CRE assets are integrated into workflows critical to success across the CRE value chain. Founded in 2005, Altus Group Limited is a global company with over 2,600 employees across North America, Europe and Asia Pacific.

During the year, the Company conducted its business through two business units: Altus Analytics and Commercial Real Estate Consulting.

The address of the Company’s registered office is 33 Yonge Street, Suite 500, Toronto, Ontario, Canada. The Company is listed on the Toronto Stock Exchange (“TSX”) under the symbol AIF and is domiciled in Canada.

“Altus Group” refers to the consolidated operations of the Company.

2. Basis of Preparation

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements have been prepared on a going concern basis using the historical cost convention, except for the revaluation of certain financial assets and financial liabilities, including investments, derivatives, and debt and equity instruments and contingent consideration that have been measured at fair value.

Changes to significant accounting policies and estimates are described in Note 4.

These consolidated financial statements were approved by the Board of Directors for issue on February 24, 2022.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

3. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

Consolidation

Subsidiaries

Investments in other entities where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, are considered subsidiaries. Subsidiaries are fully consolidated from the date at which control is determined to have occurred and are de-consolidated from the date that the Company no longer controls the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany transactions and balances are eliminated.

The Company uses the acquisition method of accounting to account for business combinations, when control is acquired. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the identifiable net assets acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Joint Venture

Joint ventures are joint arrangements over which the Company has joint control along with the other parties to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method and initially recognized at cost.

The Company's share of (profit) loss of joint venture subsequent to the initial combination is recognized in profit or loss, and its share of movements in other comprehensive income (loss), if any, is recognized in other comprehensive income (loss) until the date on which joint control ceases. Such movements are adjusted against the carrying amount of the Company's investment in joint venture.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

3. Summary of Significant Accounting Policies, cont'd

Unrealized gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. Unrealized losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred. The accounting policies of its joint venture are consistent with the Company's accounting policies.

The Company reviews its investment in joint venture for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If impaired, the carrying amount of the Company's investment in joint venture is written down to its estimated recoverable amount, being the higher of fair value less costs to sell and value in use, and charged to profit or loss.

Segment Reporting

Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Operating segments are aggregated when the criteria in IFRS 8, *Operating Segments*, are met. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO").

Discontinued Operations

A discontinued operation is a component of the Company's business, with operations and cash flows that are distinguishable from those of the rest of the Company, and which represents a separate major line of business or geographical area of operations, and which is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively for resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the major line of business or geographical operation meets the criteria to be classified as assets held for sale or distribution. When an operation is classified as a discontinued operation, IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, requires that the comparative statements of comprehensive income (loss) are re-presented as if the operation was discontinued from the start of the comparative year. As a result, the Company's discontinued operations are excluded from the profit (loss) from continuing operations and are presented as an amount, net of tax, as profit (loss) from discontinued operations in the consolidated statements of comprehensive income (loss). Furthermore, the Company has made the accounting policy choice to present net cash flows related to its discontinued operations in the notes to the consolidated financial statements.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

3. Summary of Significant Accounting Policies, cont'd

Foreign Currency Translation

The consolidated financial statements are presented in Canadian dollars (\$), which is the Company's functional and presentation currency. Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which each respective entity operates.

Foreign currency transactions are translated into the appropriate functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss within office and other operating expenses.

The results and financial position of the Company's subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the balance sheet;
- income and expenses are translated at average exchange rates; and
- all resulting exchange differences are recognized in other comprehensive income (loss) within currency translation differences.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the date of the balance sheet.

Leases

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. If the Company is reasonably certain to obtain ownership of the leased asset, right-of-use assets are depreciated over the estimated useful life of the underlying asset.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

3. Summary of Significant Accounting Policies, cont'd

The Company's right-of-use assets are depreciated over the following:

Property	1 - 10 years
Equipment	1 - 4 years

Right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, if applicable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as occupancy expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered of low value (i.e., below \$5). Payments on such leases are recognized as occupancy expense on a straight-line basis over the lease term.

Current and Deferred Income Taxes

The tax expense for the year consists of current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity, in which case the tax is recognized accordingly.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

3. Summary of Significant Accounting Policies, cont'd

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax filings in different jurisdictions with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax assets are recognized only to the extent that it is probable that the assets can be recovered. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets and liabilities are presented as non-current.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company applies judgment in identifying and assessing uncertainties over income tax treatments, including those relating to transfer pricing and other tax deductions. The Company recognizes tax treatments (including those of its subsidiaries) to the extent that it is probable that it will be accepted by the applicable taxation authorities.

Tax assets and liabilities are offset when there is a legally enforceable right to offset and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Investment Tax Credits

Investment tax credits, arising from qualifying scientific research and experimental development efforts pursuant to existing tax legislation, are recorded as a reduction of employee compensation expense when there is reasonable assurance of their ultimate realization.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

3. Summary of Significant Accounting Policies, cont'd

Revenue Recognition

Revenue is recognized upon transfer of control of the promised goods or services to customers in an amount that reflects the consideration to which the Company expects to receive in exchange for those goods or services. Performance obligations are satisfied and revenue is recognized either over time or at a point in time.

Payment terms vary by contract type; however, terms are typically 30 to 60 days.

Unbilled revenue on customer contracts, contract assets under IFRS 15, *Revenue from Contracts with Customers*, relates to conditional rights to consideration for satisfied performance obligations of contracts with customers. Trade receivables are recognized when the right to consideration becomes unconditional. Customer deposits included in trade payables and other, and deferred revenue, contract liabilities under IFRS 15, relate to payments received or due in advance of performance under contracts with customers. Contract liabilities are recognized as revenue as (or when) the Company satisfies its performance obligations under the contracts.

Costs to obtain customer contracts represent commissions incurred and would not otherwise have been incurred if the contracts had not been obtained. These costs are incremental and capitalized when the Company expects to recover these costs under each respective customer contract. The asset is amortized over the term of the specific contract it relates to, consistent with the associated pattern of revenue recognition, and is recorded in employee compensation expenses. As a practical expedient, incremental costs of obtaining a contract have been expensed when incurred if the related term is one year or less.

Services

The Company provides services on a time and materials basis, fixed fee basis or contingency basis. Services are offered by all segments of the Company.

Performance obligations for services on a time and materials or fixed fee basis are typically satisfied over time as services are rendered. In contracts where the Company is not entitled to payment until specific performance obligations are satisfied, revenue is recognized at the time the services are delivered. At contract inception, the Company expects that the period between when the Company transfers control of a promised service to a customer and when the customer pays for that service will be one year or less. As such, the Company applies the practical expedient of not adjusting the consideration for such services for the effects of a significant financing component.

Notes to Consolidated Financial Statements

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

3. Summary of Significant Accounting Policies, cont'd

Revenue is recognized based on the extent of progress towards completion of performance obligations, on a project-by-project basis. The method used to measure progress depends on the nature of the services. Revenue is recognized on the basis of time and materials incurred to date relative to the total budgeted inputs. The output method on the basis of milestones is used when the contractual terms align the Company's performance with measurements of value to the customer. Revenue is recognized for services performed to date based on contracted rates and/or milestones that correspond to the consideration that the Company is entitled to invoice.

Performance obligations for contingency arrangements are satisfied at a point in time upon completion of the services. The consideration for such arrangements is performance-based and variable. The estimated variable consideration included in the transaction price considers the extent that it is highly probable that a significant reversal of revenue will not occur when the uncertainty is resolved. This is reassessed at the end of each reporting period.

Service contracts are generally billed subsequent to revenue recognition and result in contract assets. In some contracts, customer deposits render contract liabilities to the extent that they exceed the contract assets, on a project-by-project basis.

Software and data products

The Company's Altus Analytics business offers customers licenses for on-premise software that provide the customer with a right to use the software as it exists when the license is granted to the customer. Customers may purchase perpetual licenses or subscription licenses, which provide customers with the same functionality and differ mainly in the duration over which the customer benefits from the software. Revenue from distinct on-premise licenses is recognized upfront at the point in time when the software is delivered to the customer. Perpetual licenses are initially sold with one year of ongoing maintenance and the option to renew thereafter. Support services are sold with subscriptions in all cases. Revenue allocated to ongoing maintenance or support services is recognized ratably over the term of the contract. The standard warranty period is 30 days and it is not considered to be a distinct performance obligation. Contracts related to perpetual licenses and ongoing maintenance are billed upfront and prior to revenue recognition, which generally results in the initial recognition of a contract liability. Contracts related to licenses sold on a subscription basis and support services will vary depending on the contractual terms.

Access to hosted and cloud software and data products over a specified contract term is provided on either a subscription or usage basis. Revenue for software and data products provided on a subscription basis is recognized ratably over the contract term, and contracts are billed upfront and prior to revenue recognition, which generally results in contract liabilities. Revenue for software products provided on a usage basis, such as the quantity of transactions processed or assets on the Company's platform, is recognized based on the customer utilization of such services. Such contracts are billed subsequent to revenue recognition, which generally results in contract assets.

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December 31, 2021 and 2020

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

3. Summary of Significant Accounting Policies, cont'd

Financial Assets and Liabilities

Financial assets

The Company classifies its financial assets as amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL").

The Company classifies cash and cash equivalents, and trade receivables at amortized cost as the contractual cash flows are solely payments of principal and interest and the asset is held within a business model with the objective of holding and collecting the contractual cash flows. Cash and cash equivalents are deposits held with reputable financial institutions that pose minimal credit risk. The deposits are repayable on demand and interest, if any, is paid at a fixed or floating market rate.

The Company classifies its equity investments that are not held for trading at FVOCI as the Company has made an irrevocable election at initial recognition to recognize changes in FVOCI rather than FVPL as these are strategic investments. Upon disposal of these equity investments, any balance within the other comprehensive income reserve for these equity investments is reclassified to retained earnings and is not reclassified to profit or loss.

The Company classifies its debt investments at FVOCI where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

The Company classifies its investments in partnerships and derivative financial instruments at FVPL.

Financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost except for those at FVPL, such as derivative financial instruments and contingent consideration payables. Financial liabilities measured at FVPL recognize changes in fair value attributable to the Company's own credit risk in other comprehensive income instead of profit or loss, unless this would create an accounting mismatch.

Impairment

The Company assesses financial assets for impairment on a forward-looking basis, with the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables and contract assets, the Company applies the simplified approach permitted by IFRS 9, *Financial Instruments*, which requires lifetime expected credit losses to be recognized from initial recognition of the financial assets, and re-assesses at each reporting period. The Company utilizes a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to customers and the economic environment.

Notes to Consolidated Financial Statements

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

3. Summary of Significant Accounting Policies, cont'd

The Company includes the effect of losses and recoveries due to expected credit losses through office and other operating expenses.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the financial assets and settle the financial liabilities simultaneously.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances and short-term, highly liquid investments, which generally have original maturities of three months or less at the time of acquisition, and that are subject to an insignificant risk of changes in value.

Derivative Financial Instruments and Hedging Activities

The Company enters into equity derivatives to manage its exposure to changes in the fair value of its restricted share units ("RSUs") and deferred share units ("DSUs") issued under their respective plans due to changes in the fair value of the Company's common shares. The Company also periodically enters into interest rate swap agreements for the purposes of managing interest rate exposure and into currency forward contracts to manage its foreign exchange exposures. Derivatives are not for trading or speculative purposes.

Derivatives are initially recognized at fair value when a derivative contract is entered into and are subsequently remeasured at their fair value. Depending on the nature of the derivative, changes in fair value are recognized within finance costs (income), net - other, office and other operating expenses, or employee compensation expense.

Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the assets. Costs incurred with respect to a specific asset are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any replaced part is written off. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

3. Summary of Significant Accounting Policies, cont'd

Property, plant and equipment are depreciated over the useful life of the assets using the diminishing balance method as follows:

Furniture, fixtures and equipment	20%
Computer equipment	30%

Leasehold improvements are depreciated on a straight-line basis over the shorter of the respective lease term and useful life.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals of property, plant and equipment are determined by comparing the net proceeds with the carrying amount and recognized in office and other operating expenses.

Intangibles

Intangible assets consist of: software, non-compete agreements, and certain identifiable intangible assets acquired through the Company's business acquisitions such as brands, customer backlog, and customer lists.

The Altus Group, ARGUS and Finance Active brands are intangibles with an indefinite life and are not amortized. Intangibles acquired as part of a business combination are recognized at fair value at the acquisition date and carried at cost less accumulated amortization subsequent to acquisition. Software is recorded at cost less accumulated amortization.

Intangibles with a finite life are amortized over the useful life of the assets using the straight-line or diminishing balance method as follows:

Brands of acquired businesses	1 - 5 years straight-line
Computer application software	30% diminishing balance
Custom software applications	2 - 8 years straight-line
Internally generated software	2 - 10 years straight-line
Customer backlog	straight-line over remaining life of contracts
Customer lists	5 - 10 years straight-line
Databases	2 - 4 years straight-line
Data agreements	12 years straight-line
Non-compete agreements	straight-line over life of agreements

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

3. Summary of Significant Accounting Policies, cont'd

Costs associated with maintaining computer software applications or incurred during the research phase are recognized as an expense as incurred. Development costs that are directly attributable to the design, build and testing of identifiable and unique software applications controlled by the Company are recognized as intangibles when the following criteria are met:

- it is technically feasible to complete the software application so that it will be available for use or sale;
- management intends to complete the software application and either use or sell it;
- there is an ability to use or sell the software application;
- it can be demonstrated how the software application will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software application are available; and
- the expenditure attributable to the software application during its development can be reliably measured.

Development costs that do not meet these criteria are recognized as an expense as incurred.

Impairment of Non-financial Assets

Goodwill and intangibles that have an indefinite useful life are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Non-financial assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. For the purposes of assessing impairment, non-financial assets are grouped at the lowest levels for which there are separately identifiable independent cash inflows. Non-financial assets other than goodwill are reviewed for possible reversal of impairment at each reporting date.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from synergies of the business combination in which the goodwill arose. Goodwill is tested for impairment in the CGUs for which it is monitored by the Company. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the disposed entity.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

3. Summary of Significant Accounting Policies, cont'd

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost with any difference between the proceeds, net of transaction costs, and the redemption value recognized in finance costs (income), net - other over the term of the borrowings using the effective interest method.

Borrowings are classified as current liabilities if the payment is due within one year or less. If the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period, or any payments are due after more than one year, these are classified as non-current liabilities.

Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The difference between the nominal amount of the provision and the discounted amount is amortized as a finance cost and correspondingly increases the carrying amount of the provision over the period to settlement.

Employee Benefits

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the date at which the Company can no longer withdraw the offer of these benefits, and, in the case of restructuring, the date at which the Company has recognized costs for a restructuring within the scope of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, which involves the payment of termination benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Profit-sharing and bonus plans

The Company recognizes the expense and related liability for bonuses and profit-sharing awards over the service period where contractually obliged or when there is a past practice that has created a constructive obligation, which can be reliably measured.

Notes to Consolidated Financial Statements

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

3. Summary of Significant Accounting Policies, cont'd

Share-based Compensation

The Company operates a number of share-based compensation plans as follows:

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

The Company's Executive Compensation Plan comprises two elements: a common share option plan ("Share Option Plan") and an equity compensation plan (the "Equity Compensation Plan"). These are both equity-settled compensation arrangements.

In March 2017, a long-term equity incentive plan ("Long-Term Equity Incentive Plan") was established to simplify and replace the Executive Compensation Plan as a means of compensating designated employees of the Company for services provided and promoting share ownership and alignment with the shareholders' interests. This plan contains comprehensive and consistent provisions to govern subsequent awards, including share options, Performance Share Units ("PSUs") and share-based equity awards.

Options granted under the Executive Compensation Plan and Long-Term Equity Incentive Plan

Share options issued under both plans have a maximum term of 72 months to expiry, generally vest annually over a three-to-four-year period from the date of grant, and are exercisable at the designated common share price, which is calculated as the volume weighted average closing price of the Company's common shares on the TSX for the five business days immediately preceding the grant date. For options issued to certain non-Canadian employees, the designated common share price for which they are exercisable is calculated as the higher of: (a) the mean of the high and low trading prices of the Company's common shares on the TSX on the trading day immediately preceding the grant date, or (b) the volume weighted average closing price of the Company's common shares on the TSX for the five business days immediately preceding the grant date. Except in specific defined circumstances, options and all rights to purchase common shares are forfeited by an employee upon ceasing to be an employee of the Company.

The Company recognizes the fair value of options on the grant date using the Black-Scholes option pricing model as employee compensation expense with a corresponding credit to contributed surplus over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. On the exercise of options to purchase common shares, the consideration paid by the employee and the associated amount of contributed surplus are credited to share capital within shareholders' equity.

At the end of each reporting period, the Company re-assesses its estimate of the number of options that are expected to vest and recognizes the impact of any revisions within employee compensation expense.

Notes to Consolidated Financial Statements

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

3. Summary of Significant Accounting Policies, cont'd

Other awards granted under the Equity Compensation Plan and Long-Term Equity Incentive Plan

Under the Equity Compensation Plan, the Company was entitled at its sole discretion to issue each participant a portion of his or her annual discretionary bonus in common shares and/or PSUs. Under the Long-Term Equity Incentive Plan, the Company is entitled at its sole discretion to issue each participant a portion of his or her annual discretionary bonus in common shares and/or PSUs. Common shares and PSUs granted under both plans are subject to certain vesting conditions and generally vest over a three-or-four-year period from the date of grant. The number of such common shares granted are initially determined as an amount equal to the amount of annual discretionary bonus allocated divided by the volume weighted average closing price of the Company's common shares on the TSX for the five business days ending on the day prior to issuance. The PSUs granted under both plans can be settled at the Company's discretion in cash, common shares, or a combination of both. Except in specific defined circumstances, common shares and PSUs are forfeited by an employee upon ceasing to be an employee of the Company. All PSUs granted under the Equity Compensation Plan have been vested and settled.

The number of PSUs that vest under the Long-Term Equity Incentive Plan may range from 0% to 200% based on the Company's total shareholder return ("TSR") relative to a set peer group's average TSR, according to the percentages below, subject to the recipient fulfilling the service condition:

- 20% on December 31 of each year for a period of three years; and
- 40% at the end of the three-year period.

As the Company typically settles these awards in common shares, the Company recognizes the fair value of the award when granted using the Monte Carlo valuation method as employee compensation expense with a corresponding credit to contributed surplus over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. When common shares are issued to settle the obligation, the amount previously recorded in contributed surplus is transferred to share capital within shareholders' equity.

At the end of each reporting period, the Company re-assesses its estimate of the number of awards that are expected to vest and recognizes the impact of any revisions within employee compensation expense.

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

3. Summary of Significant Accounting Policies, cont'd

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

In March 2021, the Board of Directors approved two new long-term incentive plans, the Long-Term Incentive Restricted Share Plan ("LTIRS Plan") and Long-Term Incentive Restricted Share Unit Plan ("LTIRSU Plan"), to complement the existing Long-Term Equity Incentive Plan.

RSs and RSUs granted under these plans will not be available to the employee until three years following the grant date. After three years from the date of grant, the RSs and RSUs will be released, provided, subject to certain exceptions such as retirement, disability or death, that the individual is employed with the Company at the time of the release. Participants are entitled to receive cash dividends or notional distributions that are paid on common shares, respectively. If an employee resigned from the Company or is terminated for cause, all RSs and RSUs that have not yet been released from the three-year restriction period will be forfeited.

With respect to RSs that are equity-settled, the Company contributes funds to purchase common shares in the open market (through the facilities of the TSX or by private agreement) and are held by the Company as treasury shares until they vest. This amount is shown as a reduction in the carrying value of the Company's common shares. The Company recognizes the fair value of the award when granted as employee compensation expense with a corresponding credit to contributed surplus over a three-year period from the date of grant. As RSs are released, the portion of the contributed surplus relating to the RSs is credited to share capital within shareholders' equity.

With respect to RSUs that are cash-settled, the Company recognizes the fair value of the award when granted as employee compensation expense with a corresponding credit to trade payables and other over a three-year period from the date of grant. Changes in the liability subsequent to the grant date and prior to settlement due to changes in fair value of the Company's common shares are recorded as employee compensation expense in the period incurred.

(iii) Deferred Compensation Plans

The Company has Deferred Compensation Plans that are structured as a restricted share plan ("RS Plan") in Canada and as a restricted share unit plan ("RSU Plan") outside of Canada. Annual grants of restricted shares ("RSs") or RSUs form part of the total annual discretionary bonus awarded based on the Company exceeding certain annual performance targets, which typically consists of an annual cash bonus of 60-80% and a RS or RSU award of 20-40%. On occasion, RSs or RSUs may be granted to certain employees upon acceptance of employment, subject to certain restrictions similar to those applicable for annual grants.

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

3. Summary of Significant Accounting Policies, cont'd

If annual performance targets are met, RSs and RSUs are awarded within three months of the performance year and will not be available to the employee until three years following the grant date. After three years from the date of grant, the RSs and RSUs will be released, provided, subject to certain exceptions such as retirement, disability or death, and that the individual is employed with the Company at the time of release. Participants are entitled to receive cash dividends or notional distributions that are paid on common shares, respectively. If an employee resigns from the Company or is terminated for cause, all RSs and RSUs that have not yet been released from the three-year restriction period will be forfeited.

With respect to RSs that are equity-settled, the Company contributes funds to purchase common shares in the open market (through the facilities of the TSX or by private agreement) and are held by the Company as treasury shares until they vest. This amount is shown as a reduction in the carrying value of the Company's common shares. The Company recognizes the fair value of the award when granted as employee compensation expense with a corresponding credit to contributed surplus over a 17-quarter period beginning in the year in which performance commences and ending on the vesting date. As RSs are released, the portion of the contributed surplus relating to the RSs is credited to share capital within shareholders' equity.

With respect to RSUs that are cash-settled, the Company recognizes the fair value of the award when granted as employee compensation expense with a corresponding credit to trade payables and other over a 17-quarter period beginning in the year in which performance commences and ending on the vesting date. Changes in the liability subsequent to the grant date and prior to settlement due to changes in fair value of the Company's common shares are recorded as employee compensation expense in the period incurred.

(iv) Deferred Share Unit Plans

Directors' Deferred Share Unit Plan

The Company has a Directors' Deferred Share Unit Plan ("Directors' DSU Plan") under which members of the Company's non-executive Board of Directors elect annually to receive all or a portion of their annual retainers and fees in the form of deferred share units ("Directors' DSUs"). The Directors' DSUs vest on the grant date and are settled in cash upon termination of Board service. Participants are also entitled to receive notional distributions in additional Directors' DSUs equal to dividends that are paid on common shares.

For each Directors' DSU granted, the Company recognizes the market value of the Company's common shares on the grant date as employee compensation expense with a corresponding credit to trade payables and other. Changes in the liability subsequently due to changes in fair value of the Company's common shares are recorded as employee compensation expense in the period incurred.

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

3. Summary of Significant Accounting Policies, cont'd

CEO Deferred Share Unit Plan

The Company has a CEO Deferred Share Unit Plan ("CEO DSU Plan") under which the CEO receives compensation in the form of deferred share units ("CEO DSUs"). The CEO DSUs vest on the third anniversary of the grant date and are settled in cash upon termination of employment. The CEO is also entitled to receive notional distributions in additional CEO DSUs equal to dividends that are paid on common shares. These additional CEO DSUs will, up to the vesting date, vest on the vesting date, and after the vesting date, will vest on the grant date. If the CEO resigns from the Company or is terminated for cause, all CEO DSUs that have not yet vested will be forfeited.

The Company recognizes the fair value of the initial award as employment compensation expense with a corresponding credit to trade payables and other over a three-year period. For the grant of CEO DSUs in respect of notional distributions, the Company recognizes the market value of the Company's common shares on the grant date as employee compensation expense with a corresponding credit to trade payables and other. Changes in the liability subsequently due to changes in fair value of the Company's common shares are recorded as employee compensation expense in the period incurred.

The Directors' DSU Plan and the CEO DSU Plan will herein be referred to as "DSU Plans".

Share Capital

Common shares issued by the Company are classified as equity.

Incremental costs directly attributable to the issuance of common shares are shown in equity as a deduction, net of tax, from the proceeds.

When the Company purchases its own share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the Company's shareholders until the shares are cancelled or reissued. Where such common shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's shareholders.

Dividends

Dividends to the Company's shareholders are recognized as a liability in the Company's consolidated financial statements in the period in which the dividends are declared by the Company's Board of Directors.

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

3. Summary of Significant Accounting Policies, cont'd

Government Grants

Government grants that compensate or reimburse the Company for expenses incurred are recorded as a reduction of the related expense when there is reasonable assurance of their ultimate realization.

4. Changes in Significant Accounting Policies and Estimates

Adoption of Recent Accounting Pronouncements

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

In September 2019, the IASB issued amendments to IFRS 7, *Financial Instruments and Disclosures*, IFRS 9, *Financial Instruments*, and IAS 39, *Financial Instruments: Recognition and Measurement*, to provide reliefs applying to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments were effective for annual periods beginning on or after January 1, 2020.

In August 2020, the IASB issued further amendments to provide a practical expedient from discontinuing hedging relationships and the related hedge accounting treatment as a result of the interest rate benchmark reform as well as additional disclosures. The disclosures are to provide additional information on the effect of the reform on the Company's financial instruments and risk management strategy. These amendments apply retrospectively and are effective for annual periods beginning on or after January 1, 2021 with earlier application permitted; however, companies are not required to restate prior periods. These amendments had no impact on the consolidated financial statements.

Amendment to IFRS 16, COVID-19-Related Rent Concessions beyond June 30, 2021

In March 2021, the IASB extended, by one year, the May 2020 amendment that permits lessees, as a practical expedient, not to assess whether particular rent concessions that reduce lease payments occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.

The amendment is effective for annual periods beginning on or after April 1, 2021, with earlier application permitted. The amendment did not have an impact on the consolidated financial statements.

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4. Changes in Significant Accounting Policies and Estimates, cont'd

Future Accounting Pronouncements

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Deferral of Effective Date

In January 2020, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date. These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On July 15, 2020, the IASB issued a deferral of the effective date for the new guidance by one year to annual periods beginning on or after January 1, 2023 and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its consolidated financial statements.

Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, to specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract and can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The new guidance will be effective for annual periods beginning on or after January 1, 2022 and is to be applied to contracts that have unfulfilled obligations as at the beginning of that period. The Company expects the impact of these amendments on its consolidated financial statements to not be material.

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4. Changes in Significant Accounting Policies and Estimates, cont'd

Amendments to IFRS 3: Reference to the Conceptual Framework

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

The new guidance is effective for annual periods beginning on or after January 1, 2022 and must be applied prospectively. The Company has not yet determined the impact of these amendments on its consolidated financial statements.

Amendments to IAS 8: Definition of Accounting Estimate

In February 2021, the IASB issued amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments also clarify the measurement techniques and inputs used to develop accounting estimates.

The new guidance will be effective for annual periods beginning on or after January 1, 2023, with earlier application permitted, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, and IFRS Practice Statement 2, *Making Materiality Judgments*, to provide guidance in the application of materiality judgments to accounting policy disclosures. These amendments also replaced the requirement for disclosures around 'significant' accounting policies with a requirement to disclose 'material' accounting policies.

The amendment is effective for annual periods beginning on or after January 1, 2023, with earlier application permitted as long as this fact is disclosed. The Company expects the impact of these amendments on its consolidated financial statements to not be material.

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5. Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. It also requires management to exercise judgment in applying the Company's accounting policies and the reported amounts of assets and liabilities, revenue and expenses, and related disclosures. Estimates and judgments are continually evaluated and are based on current facts, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. The continued spread of this contagious disease outbreak and related public health developments have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn and to legislative and regulatory changes that have impacted the Company's business and operations. The duration and magnitude of the impact of the outbreak and its potential adverse effects on the Company's business or results of operations continue to be uncertain and will depend on future developments. Judgments made in these consolidated financial statements reflect management's best estimates as of the year end, taking into consideration the most significant judgments that may be directly impacted by COVID-19. Management's significant estimates and assumptions that could be impacted most by COVID-19 are: revenue recognition and determination and allocation of the transaction price, impairment of trade receivables and contract assets, and estimated impairment of goodwill.

On June 13, 2021, the Company experienced a cybersecurity incident impacting some of its IT back-office systems. As part of the Company's cybersecurity and business continuity protocols, manual instances of controls and processes were adopted where automated integrations or systems access were temporarily unavailable. As a result, there were no significant changes in the Company's controls or significant assumptions and estimates that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting or consolidated financial statements.

The following discussion sets forth management's most significant estimates and assumptions in determining the value of assets and liabilities and the most significant judgments in applying its accounting policies.

Revenue Recognition and Determination and Allocation of the Transaction Price

The Company estimates variable consideration for contingency arrangements on a project-by-project basis. Variable consideration is constrained to the extent that it is highly probable that the amount will not be subject to significant reversal when the uncertainty is resolved, which is when savings are realized by the customer, unless the contractual terms provide for an enforceable right to payment for performance completed.

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5. Critical Accounting Estimates and Judgments, cont'd

The transaction price is allocated on the basis of the relative standalone selling prices for contracts with more than one performance obligation. Estimation of the standalone selling price involves reasonably available data points, market conditions, entity-specific factors and information about the customer or class of customer and to similar customers as evidence of the standalone selling price for each performance obligation; however, when one is not available, the standalone selling price is estimated. Where the observable price is not available, based on the specific facts and circumstances, either the adjusted market assessment or the expected cost plus a margin approach is applied. The determination of the standalone selling prices requires significant judgment.

Impairment of Trade Receivables and Contract Assets

The impairment provisions for trade receivables and contract assets disclosed in Notes 13 and 29 determined under IFRS 9 are based on assumptions about the risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation based on the Company's past history, existing market conditions, including COVID-19 considerations, and forward-looking estimates at the end of each reporting period. Such estimates and judgments could impact trade receivables, contract assets for unbilled revenue on customer contracts and office and other operating expenses.

Estimated Impairment of Goodwill

The Company tests at least annually whether goodwill is subject to any impairment in accordance with the accounting policy stated in Note 3. The recoverable amount for any CGU is determined based on the higher of fair value less costs to sell and value in use. Both of the valuation approaches require the use of estimates. Refer to Note 20 for the results of the impairment assessment.

Determination of Purchase Price Allocations and Contingent Consideration

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Judgments are also made in determining whether any consideration transferred for an acquisition relates to future compensation arrangements and are therefore to be excluded from the purchase price allocation. Furthermore, estimates are made in determining the value of contingent consideration payments that should be recorded as part of the consideration on the date of acquisition and changes in contingent consideration payable in subsequent reporting periods. Contingent consideration payments are generally based on acquired businesses achieving certain performance targets. The estimates are based on management's best assessment of the related inputs used in the valuation models, such as future cash flows and discount rates. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. Refer to Note 6 for acquisitions and associated purchase price allocations as well as Notes 21 and 29 for the carrying value of contingent consideration payables.

Notes to Consolidated Financial Statements

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5. Critical Accounting Estimates and Judgments, cont'd

Income Taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income taxes in the period in which such determination is made. Refer to Note 10 for the income tax movements.

6. Acquisitions

Acquisitions in 2021

Acquisition of Finance Active SAS

On April 1, 2021, the Company acquired all of the issued and outstanding shares of Finance Active SAS ("Finance Active") and its subsidiaries for approximately EUR106,524 (CAD157,288) including a working capital payable of EUR96 (CAD141). On closing, the Company paid a total of EUR89,211 (CAD131,866) in cash, funded by drawing down on the Company's credit facilities. In addition, the Company issued 303,177 common shares to the selling shareholders and certain members of Finance Active's management team valued at EUR12,410 (CAD18,324) from treasury. These common shares will be 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 EUR6,402 (CAD9,453) are also subject to continued employment over the vesting period. As part of the purchase price, EUR4,807 (CAD7,098) is also payable in cash over three years after closing. As part of the transaction, the Company 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 the Company's Altus Analytics business.

For accounting purposes, the 156,405 common shares granted and subject to continued employment are held as treasury shares. As these common shares vest, the fair value of the award will be recognized as employee compensation expense with a corresponding amount recognized in contributed surplus. When these common shares are released, the amounts recognized in contributed surplus will be transferred to share capital within shareholders' equity. In addition, the Company recognized the settlement of a put option derivative liability with the selling shareholders of Finance Active of EUR1,500 (CAD2,215) on the acquisition date as part of the consideration transferred.

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

6. Acquisitions, cont'd

Acquisition of StratoDem Analytics

On May 4, 2021, the Company acquired certain assets of StratoDem Analytics, LLC ("StratoDem Analytics") for USD24,350 (CAD29,916) in cash and common shares, subject to adjustments. As part of the transaction, the Company entered into a non-compete agreement with members of management of StratoDem Analytics. As consideration for these assets, the Company paid cash of USD15,950 (CAD19,596). In addition, the Company issued 165,320 common shares to the vendors valued at USD8,400 (CAD10,320) from treasury. The common shares will be held in escrow, and will vest and be released 50% on the first anniversary and the remaining 50% 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 USD7,112 (CAD8,738) 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. Based in the U.S., StratoDem Analytics' team has integrated with the Company's Altus Analytics business unit.

For accounting purposes, the 139,977 common shares granted and subject to continued employment are held as treasury shares. As these common shares vest, the fair value of the award will be recognized as employee compensation expense with a corresponding amount recognized in contributed surplus. When these common shares are released, the amounts recognized in contributed surplus will be transferred to share capital within shareholders' equity.

Acquisition of ArGil Property Tax Services Paralegal Professional Corporation

On August 16, 2021, the Company acquired certain assets of ArGil Property Tax Services Paralegal Professional Corporation ("ArGil") for CAD6,148 including a working capital payable of CAD2,148. As part of the transaction, the Company entered into a non-compete agreement with members of management of ArGil. As consideration for these assets, the Company paid cash of CAD1,400 and will pay to the vendors excess working capital of CAD2,148. In addition, the Company issued 40,023 common shares to the vendors valued at CAD2,400 from treasury. The common shares will be held in escrow, and will vest and be released equally over three years on each anniversary 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 CAD200, 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 the Company's Property Tax business.

For accounting purposes, the 40,023 common shares granted and subject to continued employment are held as treasury shares. As these common shares vest, the fair value of the award will be recognized as employee compensation expense with a corresponding amount recognized in contributed surplus. When these common shares are released, the amounts recognized in contributed surplus will be transferred to share capital within shareholders' equity.

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6. Acquisitions, cont'd

Acquisition of Scryer, Inc. (d/b/a Reonomy) ("Reonomy")

On November 12, 2021, the Company acquired all of the issued and outstanding shares of Reonomy for USD201,500 (approximately CAD250,785) (on a cash-free debt-free basis), subject to adjustments.

On closing, the Company paid a total of USD218,094 (CAD271,438) in cash, funded with cash on hand and drawing down on the Company's credit facilities. In addition, there is a working capital payable of USD277 (CAD344) that will be settled in 2022. As part of the transaction, the Company entered into non-compete agreements with members of management of Reonomy. In addition, the Company issued 58,466 common shares to employees of Reonomy valued at USD3,000 (CAD3,734) from treasury. These common shares are held in escrow and will vest and be released in equal installments on each of the first and second anniversaries of the grant date, subject to compliance with certain terms and conditions. Reonomy is an AI-powered data platform for the CRE industry. Based in the U.S., Reonomy' team will integrate with the Company's Altus Analytics business unit.

For accounting purposes, the 58,466 common shares granted and subject to continued employment are held as treasury shares. As these common shares vest, the fair value of the award will be recognized as employee compensation expense with a corresponding amount recognized in contributed surplus. When these common shares are released, the amounts recognized in contributed surplus will be transferred to share capital within shareholders' equity.

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6. Acquisitions, cont'd

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

	Finance Active	StratoDem Analytics	ArGil	Reonomy	Total
Acquisition-related costs (included in acquisition and related transition costs (income) in the consolidated statements of comprehensive income (loss))	\$ 7,030	\$ 810	\$ 130	\$ 2,420	\$ 10,390
Consideration:					
Cash (including working capital payable)	\$ 131,866	\$ 19,596	\$ 3,548	\$ 271,782	\$ 426,792
Common shares	18,324	10,320	2,400	3,734	34,778
Deferred consideration	7,098	-	-	-	7,098
Contingent consideration	-	-	200	-	200
	157,288	29,916	6,148	275,516	468,868
Less: common shares subject to be recognized as employee compensation expense	(9,453)	(8,738)	(2,400)	(3,734)	(24,325)
Less: discount on shares	(1,774)	(316)	-	-	(2,090)
Less: discount on deferred consideration	(356)	-	-	-	(356)
Less: discount on contingent consideration	-	-	(27)	-	(27)
Less: settlement of put option derivative	(2,215)	-	-	-	(2,215)
	143,490	20,862	3,721	271,782	439,855
Less: consideration transferred for non-compete agreements	(738)	(2,146)	(164)	(3,037)	(6,085)
Consideration transferred for acquired business	142,752	18,716	3,557	268,745	433,770
Recognized amounts of identifiable assets acquired and liabilities assumed:					
Cash and cash equivalents	11,160	-	-	56,448	67,608
Trade receivables and other	10,585	14	2,398	4,238	17,235
Investment in equity instruments	155	-	-	-	155
Property, plant and equipment	749	6	6	301	1,062
Trade payables and other	(23,083)	(270)	-	(35,444)	(58,797)
Right-of-use assets	4,756	-	-	3,338	8,094
Intangibles	105,721	7,262	562	114,340	227,885
Lease liabilities	(4,511)	-	-	(3,332)	(7,843)
Deferred taxes, net	(27,496)	-	-	623	(26,873)
Non-controlling interest	(2,805)	-	-	-	(2,805)
Total identifiable net assets of acquired business	75,231	7,012	2,966	140,512	225,721
Goodwill	\$ 67,521	\$ 11,704	\$ 591	\$ 128,233	\$ 208,049
Goodwill and intangibles expected to be deductible for tax purposes	\$ -	\$ 30,149	\$ 3,744	\$ -	\$ 33,893

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6. Acquisitions, cont'd

Non-controlling interest for the Finance Active acquisition represents the fair value of the exercise price of a put and call option derivative liability related to a 30% minority interest in a limited partnership in Germany, Verifino GmbH & Co.KG, which is exercisable beginning in 2022. Changes in the fair value of the liability are recorded with an offset to other equity and changes arising from foreign currency translation are recorded in other comprehensive income (loss).

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

Intangibles acquired are as follows:

	Finance Active	StratoDem Analytics	ArGil	Reonomy	Total
Indefinite life assets					
Brands of acquired businesses	\$ 12,846	\$ -	\$ -	\$ -	\$ 12,846
Finite life assets					
Brands of acquired businesses	\$ -	\$ -	\$ -	\$ 460	\$ 460
Customer lists	62,163	446	415	22,116	85,140
Custom application software	30,712	6,590	-	65,590	102,892
Data agreements	-	-	-	26,174	26,174
Customer backlog	-	226	147	-	373
Non-compete agreements	738	2,146	164	3,037	6,085
	\$ 93,613	\$ 9,408	\$ 726	\$ 117,377	\$ 221,124

Revenues and profit (loss) for Finance Active for the period from April 1, 2021 to December 31, 2021 included in the consolidated statements of comprehensive income (loss) are \$26,092 and \$(7,119), respectively. The gross contractual amounts of acquired receivables for Finance Active were \$9,167, of which \$149 was expected to be uncollectable at the date of acquisition.

Revenues and profit (loss) for StratoDem Analytics for the period from May 4, 2021 to December 31, 2021 included in the consolidated statements of comprehensive income (loss) are \$843 and \$(2,020), respectively. The gross contractual amounts of acquired receivables for StratoDem Analytics were \$nil, of which \$nil was expected to be uncollectable at the date of acquisition.

ArGil has been fully integrated into the operations of Property Tax and the stand-alone revenues and profit (loss) could not be determined. The gross contractual amounts of acquired receivables for ArGil were \$1,147, of which \$nil was expected to be uncollectable at the date of acquisition.

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6. Acquisitions, cont'd

Revenues and profit (loss) for Reonomy for the period from November 12, 2021 to December 31, 2021 included in the consolidated statements of comprehensive income (loss) are \$2,554 and \$(3,347), respectively. The gross contractual amounts of acquired receivables for Reonomy were \$1,994, of which \$686 was expected to be uncollectable at the date of acquisition.

Acquisition in 2020

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 USD10,125 (CAD13,139) in cash, subject to closing working capital adjustments of USD2,203 (CAD2,859). 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 USD9,625 (CAD12,490). In addition, the Company granted common shares of USD3,375 (CAD4,376) to key members of management of PTA, which were issued from treasury. The common shares will be held in escrow and will vest and be released equally over four years on each anniversary 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.

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

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6. Acquisitions, cont'd

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

		PTA
Acquisition-related costs (included in acquisition and related transition costs (income) in the consolidated statements of comprehensive income (loss))	\$	219
Consideration:		
Cash	\$	15,998
Less: consideration transferred for non-compete agreements		(1,019)
Consideration transferred for acquired business		14,979
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Trade receivables and other		4,511
Trade payables and other		(30)
Right-of-use assets		489
Intangibles		7,907
Lease liabilities		(489)
Total identifiable net assets of acquired business		12,388
Goodwill	\$	2,591
Goodwill and intangibles deductible for tax purposes	\$	11,517

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

Intangibles acquired are as follows:

		PTA
Finite life assets		
Non-compete agreements	\$	1,019
Customer lists		2,006
Customer backlog		5,901
	\$	8,926

Revenues and profit (loss) for PTA for the period from December 1, 2020 to December 31, 2020 included in the consolidated statements of comprehensive income (loss) are \$261 and \$(476), respectively. The gross contractual amounts of acquired receivables for PTA were \$918, of which \$nil was expected to be uncollectable at the date of acquisition.

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7. Segmented Information

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

Altus Analytics provides software, data, analytics and advisory solutions that enable clients to drive better performance in the areas of valuation, transactions, performance, strategy and intelligence.

Commercial Real Estate Consulting provides Property Tax, and Valuation and Cost Advisory solutions across the various stages of the commercial real estate lifecycle - from feasibility, development, acquisition, management and disposition.

The accounting policies of the segments are the same as those applied in these consolidated financial statements. Revenue transactions between segments are valued at market rates and eliminated on consolidation. Revenues represent those recognized from contracts with customers.

Adjusted EBITDA represents profit (loss) from continuing operations before income taxes, adjusted for the effects of: 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 RSUs and DSUs being hedged, (gains) losses on derivatives, restructuring costs (recovery), (gains) losses on investments, (gains) losses on hedging transactions, and other costs or income of a non-operating and/or non-recurring nature.

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7. Segmented Information, cont'd

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

	Year ended December 31, 2021	Year ended December 31, 2020
Adjusted EBITDA	\$ 109,755	\$ 98,928
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 ⁽¹⁾	13,199	12,312
Depreciation of right-of-use assets	(12,119)	(11,210)
Depreciation of property, plant and equipment and amortization of intangibles	(34,463)	(30,404)
Acquisition and related transition (costs) income	(10,137)	887
Unrealized foreign exchange gain (loss) ⁽²⁾	(1,104)	(165)
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles ⁽²⁾	248	(457)
Share of profit (loss) of joint venture	1,187	459
Non-cash share-based compensation costs ⁽³⁾	(19,455)	(10,261)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged ⁽³⁾	2,040	(471)
Restructuring (costs) recovery	(15)	(11,984)
Gain (loss) on investments ⁽⁴⁾	2,930	21
Impairment charge - leases	-	(36)
Other non-operating and/or non-recurring income (costs) ⁽⁵⁾	(11,517)	(3,429)
Earnings (loss) from continuing operations before finance costs and income taxes	40,549	44,190
Finance (costs) income, net - leases	(2,219)	(2,494)
Finance (costs) income, net - other	(4,130)	(4,138)
Profit (loss) from continuing operations before income taxes	34,200	37,558
Income tax (expense) recovery	(8,627)	(10,549)
Profit (loss) for the year from continuing operations	\$ 25,573	\$ 27,009
Profit (loss) for the year from discontinued operations	-	(5,576)
Profit (loss) for the year	\$ 25,573	\$ 21,433

⁽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 consolidated statements of comprehensive income (loss).

⁽³⁾ Included in employee compensation expenses in the 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 year ended December 31, 2021 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. For the year ended December 31, 2020, other non-operating and/or non-recurring income (costs) relate to (i) transitional costs related to the departure of senior executives, (ii) legal, advisory, and other consulting costs related to a Board strategic initiative, and (iii) transaction and other related costs. These are included in office and other operating expenses in the consolidated statements of comprehensive income (loss).

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7. Segmented Information, cont'd

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

Segment Revenues and Expenditures

	Year ended December 31, 2021						Total
	Altus Analytics	Commercial Real Estate Consulting	Property Tax	Valuation and Cost Advisory	Consulting Total	Corporate ⁽¹⁾	
Revenues from external customers	\$ 250,610	\$ 259,908	\$ 114,869	\$ 374,777	\$ -	\$ -	\$ 625,387
Inter-segment revenues	474	3	(176)	(173)	-	(301)	-
Total segment revenues	251,084	259,911	114,693	374,604	-	(301)	625,387
Adjusted EBITDA	41,567	87,616	16,440	104,056	(35,868)	-	109,755
Depreciation of right-of-use assets	6,077	2,955	2,496	5,451	591	-	12,119
Depreciation of property, plant and equipment and amortization of intangibles	19,334	12,866	1,363	14,229	900	-	34,463
Finance costs (income), net - leases	464	674	483	1,157	598	-	2,219
Finance costs (income), net - other	-	-	-	-	4,130	-	4,130
Income tax expense (recovery)	-	-	-	-	8,627	-	8,627

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

Unsatisfied performance obligations on fixed long-term customer contracts, mainly within Altus Analytics and the Cost Advisory practice, are \$81,820 as of December 31, 2021 (December 31, 2020 - \$77,861). It is expected that approximately 55% of the fixed customer contract value will be recognized as revenue over the next 12 months, approximately 25% in the year following, and the balance thereafter. This amount excludes contract values that have variable or contingency-based arrangements, which account for a significant portion of the revenue recognized in the current year. The Company applies the practical expedient to not disclose the unsatisfied portions of performance obligations related to contracts with a duration of one year or less, or the unsatisfied portions of performance obligations where the revenue recognized corresponds with the amounts invoiced to customers.

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7. Segmented Information, cont'd

	Year ended December 31, 2020							
	Altus Analytics	Commercial Real Estate	Property Tax	Valuation and Cost Advisory	Consulting	Corporate ⁽¹⁾	Eliminations	Total
Revenues from external customers	\$ 203,235	\$ 245,161	\$ 112,760	\$ 357,921	\$ -	\$ -	\$ 561,156	
Inter-segment revenues	472	1	(168)	(167)	-	(305)	-	
Total segment revenues	203,707	245,162	112,592	357,754	-	(305)	561,156	
Adjusted EBITDA	35,845	76,961	15,127	92,088	(29,005)	-	98,928	
Depreciation of right-of-use assets	4,644	3,231	2,792	6,023	543	-	11,210	
Depreciation of property, plant and equipment and amortization of intangibles	13,537	13,144	2,189	15,333	1,534	-	30,404	
Finance costs (income), net - leases	509	744	617	1,361	624	-	2,494	
Finance costs (income), net - other	-	-	-	-	4,138	-	4,138	
Income tax expense (recovery)	-	-	-	-	10,549	-	10,549	

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

Geographic Information - Revenue from External Customers

	Year ended December 31, 2021	Year ended December 31, 2020
Canada	\$ 185,709	\$ 183,042
U.S.	232,712	212,807
Europe	178,801	136,161
Asia Pacific	28,165	29,146
Total	\$ 625,387	\$ 561,156

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8. Employee Compensation

	Year ended December 31, 2021	Year ended December 31, 2020
Salaries and benefits	\$ 377,517	\$ 340,595
Share-based compensation (Note 26)	23,938	14,356
	\$ 401,455	\$ 354,951

During 2021, the Company incurred termination benefits of \$1,914, of which \$nil was recorded in office and other operating expense (2020 - \$1,408 and \$1,137, respectively). During 2021, the Company incurred \$nil (2020 - \$750) of additional share-based compensation related to the departure of senior executives, which was recorded in office and other operating expenses.

9. Finance Costs (Income), Net

	Year ended December 31, 2021	Year ended December 31, 2020
Interest on bank credit facilities	\$ 3,918	\$ 3,943
Interest on lease liabilities	2,219	2,494
Deferred consideration payables: unwinding of discount	107	-
Contingent consideration payables: unwinding of discount (Note 29)	6	102
Provisions: unwinding of discount (Note 21)	5	34
Interest - other	340	-
Change in fair value of interest rate swaps	-	138
Finance costs	6,595	6,711
Finance income	(246)	(79)
Finance costs (income), net	\$ 6,349	\$ 6,632

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December 31, 2021 and 2020

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

10. Income Taxes

	Year ended December 31, 2021		Year ended December 31, 2020	
Current income taxes				
Current income tax on profits for the year	\$	18,567	\$	12,372
Adjustments in respect of prior years		482		336
Total current income taxes		19,049		12,708
Deferred income taxes				
Origination and reversal of temporary differences		(10,538)		(2,006)
Adjustments in respect of prior years		(572)		(413)
Change in income tax rates		688		260
Total deferred income taxes		(10,422)		(2,159)
Income tax expense (recovery)	\$	8,627	\$	10,549

The reconciliation between income tax expense and the tax applicable to profits in Canada is as follows:

	Year ended December 31, 2021		Year ended December 31, 2020		
Profit (loss) from continuing operations before income taxes	\$	34,200	\$	37,558	
Profit (loss) from discontinued operations		-		(5,576)	
Profit (loss) before income taxes	\$	34,200	\$	31,982	
Tax calculated at domestic income tax rate applicable to profits in Canada		9,200	26.90%	8,603	26.90%
Tax effects of:					
Impact of countries with different income tax rates		(3,131)	(9.16%)	(2,245)	(7.02%)
Impairment charge		-	-	656	2.05%
Losses and deductible temporary differences for which no deferred tax asset has been recognized		529	1.55%	2,764	8.64%
Change in income tax rates		688	2.01%	259	0.81%
Expenses not deductible for income tax purposes		837	2.45%	1,525	4.77%
Other		504	1.47%	(1,013)	(3.17%)
Income tax expense (recovery)	\$	8,627	25.23%	10,549	32.98%

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

10. Income Taxes, cont'd

Deferred Income Taxes

The gross movement on the deferred income taxes account is as follows:

	Amount
Balance as at January 1, 2020	\$ 10,247
(Charged) credited to profit or loss	2,159
(Charged) credited to other comprehensive income (loss)	745
Exchange differences and others	(467)
Balance as at December 31, 2020	12,684
(Charged) credited to profit or loss	10,422
(Charged) credited to other comprehensive income (loss)	(550)
(Charged) credited to share capital or goodwill	(26,861)
Exchange differences and others	530
Balance as at December 31, 2021	\$ (3,775)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Non-capital Income Tax Losses	Tax Deductible Goodwill	Other	Total
Deferred income tax assets				
Balance as at January 1, 2020	\$ 2,772	\$ 15,528	\$ 14,280	\$ 32,580
(Charged) credited to profit or loss	811	(6,629)	2,343	(3,475)
(Charged) credited to other comprehensive income (loss)	-	-	1,081	1,081
Exchange differences and others	(22)	(212)	35	(199)
Balance as at December 31, 2020	3,561	8,687	17,739	29,987
(Charged) credited to profit or loss	31,050	430	7,103	38,583
(Charged) credited to other comprehensive income (loss)	-	-	(1,149)	(1,149)
Exchange differences and others	(136)	(53)	(241)	(430)
Balance as at December 31, 2021	\$ 34,475	\$ 9,064	\$ 23,452	\$ 66,991

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

10. Income Taxes, cont'd

	Accelerated Tax Depreciation	Unbilled Revenue on Customer Contracts	Intangibles	Other	Total
Deferred income tax liabilities					
Balance as at January 1, 2020	\$ (198)	\$ (240)	\$ (21,534)	\$ (361)	\$ (22,333)
(Charged) credited to profit or loss	100	173	4,983	378	5,634
(Charged) credited to other comprehensive income (loss)	-	-	-	(336)	(336)
Exchange differences and others	(5)	(7)	(224)	(32)	(268)
Balance as at December 31, 2020	(103)	(74)	(16,775)	(351)	(17,303)
(Charged) credited to profit or loss	70	(14)	(27,909)	(308)	(28,161)
(Charged) credited to other comprehensive income (loss)	-	-	-	599	599
(Charged) credited to share capital or goodwill	-	-	(26,861)	-	(26,861)
Exchange differences and others	2	4	952	2	960
Balance as at December 31, 2021	\$ (31)	\$ (84)	\$ (70,593)	\$ (58)	\$ (70,766)

Deferred income tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable based on future estimated profits in excess of the profits arising on the reversal of existing taxable temporary differences. Evidence supporting recognition of these deferred income tax assets includes earnings forecasts and the utilization of tax losses in the current year.

As at December 31, 2021, there are recognized net operating loss carryforwards from U.S. acquisitions, which may be applied against taxable income of future years, no later than as follows:

	Amount
2022	\$ 1,316
2023	1,859
2024	368
2033 to 2036	21,469
Indefinite	95,423
	\$ 120,435

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

10. Income Taxes, cont'd

There are unrecognized net operating loss carryforwards in the U.S. of approximately \$1,157 that are available to reduce taxable income of a foreign subsidiary; \$699 of losses expire in 2037 and \$458 of losses may be carried forward indefinitely.

In Europe, there are unrecognized loss carryforwards of approximately \$2,015 that may be carried forward indefinitely. Net operating losses of approximately \$6,622 are recognized that may be carried forward indefinitely, which may be applied against taxable income of future years.

The Company has net operating losses of approximately \$1,854 in Asia Pacific that are recognized and may be carried forward indefinitely. It has unrecognized net operating loss carryforwards in Asia Pacific of approximately \$6,993 that are available to reduce taxable income of certain foreign subsidiaries; \$3,282 of losses expire between 2022 and 2029 and \$3,711 of losses may be carried forward indefinitely.

The Company has net operating losses of approximately \$8,611 in Canada that are recognized and expire in 2040. It has unrecognized net operating losses of approximately \$20,692, of which, \$6,166 of losses expire in 2040 and \$14,526 of losses expire in 2041.

11. Discontinued Operations

On January 21, 2020, the Company announced its intention to combine its Geomatics business segment with WSP Global Inc.'s ("WSP") respective geomatics business unit. Effective June 27, 2020, the combined entity launched as GeoVerra Inc. ("GeoVerra"), forming a Canadian geomatics firm with employees in offices in Western Canada and Ontario, with the Company receiving a 49.5% equity interest and 50% of the voting rights (Note 16). The Company has made an accounting policy choice to present details of net cash flows from discontinued operations in this note to the consolidated financial statements. Unless otherwise specified, all other notes to the consolidated financial statements do not include amounts from discontinued operations.

Notes to Consolidated Financial Statements

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

11. Discontinued Operations, cont'd

Financial information relating to the discontinued operations for the period is set out below.

The results of the Geomatics business presented as profit (loss) for the year from discontinued operations in the consolidated statements of comprehensive income (loss) are as follows:

	Year ended December 31, 2020	
Revenues	\$	13,962
Expenses		
Employee compensation ⁽¹⁾		8,295
Occupancy		331
Office and other operating		4,406
Depreciation of right-of-use assets		52
Depreciation of property, plant and equipment		111
Amortization of intangibles		1
Restructuring costs (recovery)		1,612
Finance costs (income), net - leases		65
Finance costs (income), net - other		(15)
Impairment charge - goodwill		-
Fair value loss (gain) on net assets directly associated with discontinued operations		5,163
(Gain) loss on sale of the discontinued operations		(483)
Profit (loss) for the year from discontinued operations	\$	(5,576)

⁽¹⁾ During the year ended December 31, 2020, the Geomatics business recorded government grants related to COVID-19 wage subsidies of \$2,571 as a reduction to employee compensation expense.

Following the classification of the Geomatics business segment as discontinued operations on January 21, 2020 to its disposal on June 27, 2020 in exchange for the Company's investment in GeoVerra, fair value losses of \$5,163 were recognized in profit (loss) from discontinued operations in 2020 to reduce the carrying value of the assets held for sale to the lower of their carrying value or their fair value less costs to sell.

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

11. Discontinued Operations, cont'd

The net cash flows provided by (used in) the Geomatics discontinued operations to the date of disposal are as follows:

	Year ended December 31, 2020	
Net cash provided by (used in) operating activities	\$	3,184
Net cash provided by (used in) financing activities		(651)
Net cash provided by (used in) investing activities		(4,073)
Cash flows from discontinued operations	\$	(1,540)

The assets and liabilities disposed of in connection with the Geomatics business in exchange for the Company's interest in GeoVerra (Note 16) are as follows:

	June 27, 2020	
Consideration received:		
Common shares of joint venture	\$	14,850
Assets and liabilities contributed:		
Cash and cash equivalents		3,794
Trade receivables and other		8,279
Right-of-use assets		2,912
Property, plant and equipment		5,134
Intangibles		9
Trade payables and other		(2,093)
Lease liabilities		(3,395)
Borrowings		(273)
Total net assets contributed	\$	14,367
Gain on sale of the discontinued operations	\$	483

12. Cash and Cash Equivalents

	December 31, 2021		December 31, 2020
Cash on hand	\$	49,536	\$ 69,637
Short-term deposits		1,735	-
	\$	51,271	\$ 69,637

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13. Trade Receivables and Other

	December 31, 2021	December 31, 2020
Trade receivables	\$ 171,268	\$ 145,427
Less: loss allowance provision	(19,913)	(16,869)
Trade receivables, net	151,355	128,558
Contract assets: unbilled revenue on customer contracts ⁽¹⁾	47,677	48,120
Deferred costs to obtain customer contracts	1,942	2,205
Prepayments	20,903	13,229
Due from related party (GeoVerra)	3,074	1,675
Other receivables	1,182	655
	226,133	194,442
Less: non-current portion	(2,818)	(1,370)
	\$ 223,315	\$ 193,072

⁽¹⁾ On December 31, 2021, contract assets are stated net of expected credit losses of \$787 (December 31, 2020 - \$670) (Note 29).

For the year ended December 31, 2021, \$2,696 of amortization associated with deferred costs to obtain customer contracts was expensed to the consolidated statements of comprehensive income (loss) (2020 - \$1,616). For the years ended December 31, 2021 and 2020, no impairment losses on deferred costs were recognized.

14. Derivative Financial Instruments

	December 31, 2021	December 31, 2020
Assets		
Equity derivatives	\$ 21,529	\$ 11,277
	21,529	11,277
Less: non-current portion	(15,661)	(8,800)
	\$ 5,868	\$ 2,477

At the time of issuance of various share-based compensation instruments, the Company entered into derivative contracts with counterparties to manage the exposure to the change in fair value of the share-based compensation in relation to the change in fair value of the Company's common shares.

Notes to Consolidated Financial Statements

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

14. Derivative Financial Instruments, cont'd

The following table summarizes the derivative contracts outstanding as at December 31, 2021 and 2020, and number of RSUs, DSUs and LTIRSU for which they relate:

			December 31, 2021		December 31, 2020	
Effective Date	Description	Contract Expiry	Notional Amount	Fair Value ⁽²⁾	Notional Amount	Fair Value ⁽²⁾
March 28, 2014	195,001 (2020 - 173,836) DSUs	March 22, 2022 ⁽¹⁾	\$ 5,989	\$ 7,879	\$ 5,218	\$ 3,324
March 8, 2018	Nil (2020 - 100,420) RSUs relating to 2017 performance year	March 31, 2021	-	-	2,457	2,477
March 13, 2019	115,923 (2020 - 125,001) RSUs relating to 2018 performance year	March 31, 2022	2,377	5,868	2,563	3,582
March 24, 2020	69,022 (2020 - 78,322) RSUs relating to 2019 performance year	March 27, 2023	1,724	3,185	1,956	1,894
March 29, 2021	76,351 (2020 - nil) RSUs relating to 2020 performance year	March 28, 2024	2,254	3,176	-	-
March 29, 2021	53,662 (2020 - nil) LTIRSUs	March 28, 2024	2,395	1,421	-	-
			\$ 14,739	\$ 21,529	\$ 12,194	\$ 11,277

⁽¹⁾ Subject to an automatic one-year extension, unless prior notice is given by the Company.

⁽²⁾ The fair values indicated are the amounts in excess of/(deficit from) the notional amounts for each equity derivative. Changes in fair value are recognized as gain (loss) on equity derivatives and included in employee compensation expenses in the consolidated statements of comprehensive income (loss).

15. Investments

	December 31, 2021	December 31, 2020
Investments in equity instruments	\$ 14,412	\$ 7,811
Investments in partnerships	6,394	2,545
	\$ 20,806	\$ 10,356

During the year ended December 31, 2021, the Company purchased \$2,788 of preferred shares and \$148 of common shares as equity instruments (2020 - \$nil) and contributed \$1,221 towards capital in various partnerships (2020 - \$365).

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

15. Investments, cont'd

During the year ended December 31, 2021, fair value adjustments related to the Company's investments in partnerships and equity instruments of \$2,930 and \$3,383 have been recorded through profit (loss) and other comprehensive income (loss), respectively (2020 - \$21 and \$(1,337), respectively).

16. Investment in Joint Venture

On June 27, 2020, the Company obtained a 49.5% interest (that provides joint control through an equal 50% of the voting rights) in GeoVerra, a joint venture offering a broad variety of geomatics services across Canada, by contributing certain assets and liabilities of the Company's Geomatics discontinued operations (Note 11). WSP contributed an equal amount of net assets that have a similar nature to those contributed by the Company.

The activity in the Company's investment in GeoVerra during the year is as follows:

		Amount
Balance as at January 1, 2020	\$	-
Contribution to investment in joint venture on June 27, 2020 (Note 11)		14,850
Share of profit (loss)		459
Balance as at December 31, 2020		15,309
Share of profit (loss)		1,187
Balance as at December 31, 2021	\$	16,496

A summary of GeoVerra's financial information is as follows:

	December 31, 2021	December 31, 2020
Current assets, including cash and cash equivalents of \$4,103	\$ 40,961	\$ 36,290
Non-current assets	21,770	22,310
Current liabilities, including financial liabilities of \$9,759	(20,470)	(17,590)
Non-current liabilities, including financial liabilities of \$8,936	(8,936)	(10,083)
Equity	\$ 33,325	\$ 30,927
Company's share of equity - 49.5%	\$ 16,496	\$ 15,309

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16. Investment in Joint Venture, cont'd

	December 31, 2021	Period from June 27, 2020 to December 31, 2020
Revenues	\$ 92,738	\$ 47,303
Expenses, including depreciation and amortization of \$2,766; finance costs of \$370; income tax expense of \$316	90,340	46,376
Profit (loss) and total comprehensive income (loss)	\$ 2,398	\$ 927

As at December 31, 2021, GeoVerra has commitments of \$14,515 (December 31, 2020 - \$4,356).

17. Leases

The following are continuities of the cost and accumulated depreciation of right-of-use assets for the years ended December 31, 2021 and 2020:

	Year ended December 31, 2021		
	Right-of-Use Assets		
	Property	Equipment	Total
Cost			
Balance, beginning of year	\$ 73,057	\$ 2,708	\$ 75,765
Additions	12,158	163	12,321
Acquisition (Note 6)	8,007	87	8,094
Disposals	(3,548)	(89)	(3,637)
Exchange differences	(936)	21	(915)
Balance, end of year	88,738	2,890	91,628
Accumulated depreciation			
Balance, beginning of year	(21,498)	(2,577)	(24,075)
Depreciation charge	(11,966)	(153)	(12,119)
Disposals	4,020	89	4,109
Exchange differences	445	4	449
Balance, end of year	(28,999)	(2,637)	(31,636)
Net book value as at December 31, 2021	\$ 59,739	\$ 253	\$ 59,992

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

17. Leases, cont'd

	Year ended December 31, 2020		
	Right-of-Use Assets		
	Property	Equipment	Total
Cost			
Balance, beginning of year	\$ 75,637	\$ 3,047	\$ 78,684
Additions	1,792	46	1,838
Acquisition (Note 6)	489	-	489
Disposals	(730)	(39)	(769)
Contribution to joint venture (Note 11)	(4,337)	(344)	(4,681)
Impairment	(36)	-	(36)
Exchange differences	242	(2)	240
Balance, end of year	73,057	2,708	75,765
Accumulated depreciation			
Balance, beginning of year	(12,014)	(2,941)	(14,955)
Depreciation charge ⁽¹⁾	(11,234)	(28)	(11,262)
Disposals	730	35	765
Fair value loss on net assets directly associated with discontinued operations (Note 11)	(412)	-	(412)
Contribution to joint venture (Note 11)	1,418	351	1,769
Exchange differences	14	6	20
Balance, end of year	(21,498)	(2,577)	(24,075)
Net book value as at December 31, 2020	\$ 51,559	\$ 131	\$ 51,690

⁽¹⁾ Of the amounts presented, \$52 was charged to discontinued operations (Note 11).

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December 31, 2021 and 2020

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

17. Leases, cont'd

The following is a continuity of the movements of lease liabilities for the years ended December 31, 2021 and 2020:

	Lease Liabilities
As at January 1, 2020	\$ 75,983
Additions	2,138
Acquisition (Note 6)	489
Interest expense ⁽¹⁾	2,559
Payments	(14,519)
Contribution to joint venture (Note 11)	(3,395)
Exchange differences	328
As at December 31, 2020	63,583
Additions	12,321
Acquisition (Note 6)	7,843
Interest expense	2,219
Payments	(14,289)
Exchange differences	(538)
As at December 31, 2021	71,139
Less: non-current portion	(57,225)
Current portion as at December 31, 2021	\$ 13,914

⁽¹⁾ During the year ended December 31, 2020, \$65 was charged to finance costs (income), net - leases in discontinued operations (Note 11).

For the year ended December 31, 2021, the Company paid a total cash outflow of \$14,289 for leases (2020 - \$14,519), and recognized rent expense from short-term leases of \$598 (2020 - \$313), leases of low-value assets of \$74 (2020 - \$56) and variable lease payments of \$6,677 in occupancy expense (2020 - \$6,354). The weighted average incremental borrowing rate on lease liabilities as at December 31, 2021 is 2.93% (December 31, 2020 - 3.70%).

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18. Property, Plant and Equipment

The following are continuities of the cost and accumulated depreciation of property, plant and equipment for the years ended December 31, 2021 and 2020:

	Year ended December 31, 2021			
	Leasehold Improvements	Furniture, Fixtures and Equipment	Computer Equipment	Total
Cost				
Balance, beginning of year	\$ 22,835	\$ 12,549	\$ 14,241	\$ 49,625
Additions	225	1,103	4,637	5,965
Acquisitions	365	253	444	1,062
Disposals	(209)	(117)	(276)	(602)
Exchange differences	(314)	40	(35)	(309)
Balance, end of year	22,902	13,828	19,011	55,741
Accumulated depreciation				
Balance, beginning of year	(12,228)	(8,658)	(8,363)	(29,249)
Depreciation charge	(2,410)	(816)	(2,220)	(5,446)
Disposals	131	84	157	372
Exchange differences	199	53	(46)	206
Balance, end of year	(14,308)	(9,337)	(10,472)	(34,117)
Net book value as at December 31, 2021	\$ 8,594	\$ 4,491	\$ 8,539	\$ 21,624

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18. Property, Plant and Equipment, cont'd

	Year ended December 31, 2020			
	Leasehold Improvements	Furniture, Fixtures and Equipment	Computer Equipment	Total
Cost				
Balance, beginning of year	\$ 25,508	\$ 30,031	\$ 16,484	\$ 72,023
Additions	604	626	2,350	3,580
Disposals	(1,255)	(3,871)	(2,613)	(7,739)
Contribution to joint venture (Note 11)	(2,089)	(14,176)	(1,995)	(18,260)
Exchange differences	67	(61)	15	21
Balance, end of year	22,835	12,549	14,241	49,625
Accumulated depreciation				
Balance, beginning of year	(11,843)	(21,611)	(9,532)	(42,986)
Depreciation charge ⁽¹⁾	(2,431)	(1,112)	(2,188)	(5,731)
Disposals	1,120	3,767	2,254	7,141
Fair value loss on net assets directly associated with discontinued operations (Note 11)	(164)	(560)	(108)	(832)
Contribution to joint venture (Note 11)	1,114	10,813	1,199	13,126
Exchange differences	(24)	45	12	33
Balance, end of year	(12,228)	(8,658)	(8,363)	(29,249)
Net book value as at December 31, 2020	\$ 10,607	\$ 3,891	\$ 5,878	\$ 20,376

⁽¹⁾ Of the amounts presented, \$111 was charged to discontinued operations (Note 11).

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19. Intangibles

The following are continuities of the cost and accumulated amortization of intangible assets for the years ended December 31, 2021 and 2020:

	Year ended December 31, 2021											
	Brands of Acquired Businesses	Computer Application Software	Custom Software Applications	Internally Generated Software	Data Agreements	Customer Backlog	Customer Lists	Databases	Non-compete Agreements	Indefinite Life Brands		Total
Cost												
Balance, beginning of year	\$ 22,470	\$ 5,365	\$ 25,157	\$ 35,496	\$ -	\$ 45,771	\$ 203,309	\$ 6,903	\$ 38,024	\$ 27,539		\$ 410,034
Additions	-	4,664	-	-	-	-	-	-	-	-		4,664
Acquisition (Note 6)	460	-	6,591	96,301	26,174	373	85,140	-	6,085	12,846		233,970
Disposals	-	(111)	-	-	-	-	-	(27)	-	-		(138)
Exchange differences	(205)	(16)	138	(917)	529	(363)	(2,253)	-	(162)	(386)		(3,635)
Balance, end of year	22,725	9,902	31,886	130,880	26,703	45,781	286,196	6,876	43,947	39,999		644,895
Accumulated amortization and impairment												
Balance, beginning of year	(22,246)	(4,047)	(25,156)	(25,365)	-	(32,516)	(184,401)	(6,903)	(31,472)	-		(332,106)
Amortization charge	(194)	(516)	(561)	(6,254)	(269)	(5,623)	(11,577)	-	(4,023)	-		(29,017)
Disposals	-	102	-	-	-	-	-	27	-	-		129
Exchange differences	203	6	74	955	-	250	1,070	-	211	-		2,769
Balance, end of year	(22,237)	(4,455)	(25,643)	(30,664)	(269)	(37,889)	(194,908)	(6,876)	(35,284)	-		(358,225)
Net book value as at December 31, 2021	\$ 488	\$ 5,447	\$ 6,243	\$ 100,216	\$ 26,434	\$ 7,892	\$ 91,288	\$ -	\$ 8,663	\$ 39,999		\$ 286,670

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19. Intangibles, cont'd

	Year ended December 31, 2020									
	Brands of Acquired Businesses	Computer Application Software	Custom Software Applications	Internally Generated Software	Customer Backlog	Customer Lists	Databases	Non-compete Agreements	Indefinite Life Brands	Total
Cost										
Balance, beginning of year	\$ 24,551	\$ 5,309	\$ 25,610	\$ 34,265	\$ 39,862	\$ 220,345	\$ 6,890	\$ 39,384	\$ 27,998	\$ 424,214
Additions	-	757	-	-	-	-	13	-	-	770
Acquisition (Note 6)	-	-	-	-	5,901	2,006	-	1,019	-	8,926
Disposals	(2,300)	(113)	(75)	-	(30)	(17,590)	-	(2,365)	-	(22,473)
Contribution to joint venture (Note 11)	-	(626)	-	-	-	-	-	-	-	(626)
Exchange differences	219	38	(378)	1,231	38	(1,452)	-	(14)	(459)	(777)
Balance, end of year	22,470	5,365	25,157	35,496	45,771	203,309	6,903	38,024	27,539	410,034
Accumulated amortization and impairment										
Balance, beginning of year	(24,165)	(4,202)	(25,096)	(21,350)	(27,229)	(192,230)	(6,675)	(30,672)	-	(331,619)
Amortization charge ⁽¹⁾	(181)	(473)	(513)	(3,520)	(5,293)	(11,378)	(228)	(3,199)	-	(24,785)
Disposals	2,300	101	75	-	30	17,590	-	2,365	-	22,461
Fair value loss on net assets directly associated with discontinued operations (Note 11)	-	(58)	-	-	-	-	-	-	-	(58)
Contribution to joint venture (Note 11)	-	617	-	-	-	-	-	-	-	617
Exchange differences	(200)	(32)	378	(495)	(24)	1,617	-	34	-	1,278
Balance, end of year	(22,246)	(4,047)	(25,156)	(25,365)	(32,516)	(184,401)	(6,903)	(31,472)	-	(332,106)
Net book value as at December 31, 2020	\$ 224	\$ 1,318	\$ 1	\$ 10,131	\$ 13,255	\$ 18,908	\$ -	\$ 6,552	\$ 27,539	\$ 77,928

⁽¹⁾ Of the amounts presented, \$1 was charged to discontinued operations (Note 11).

Indefinite life intangibles, consisting of the Altus Group, ARGUS and Finance Active brands, have been assessed for impairment along with goodwill as outlined in Note 20. These assets are considered to have indefinite lives as management believes that there is an indefinite period over which the assets are expected to generate net cash flows.

Notes to Consolidated Financial Statements

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

19. Intangibles, cont'd

The finite life intangibles will be amortized over the remaining useful life as follows:

	December 31, 2021
	Average Remaining Useful Life
Brands of acquired businesses	3 months - 34 months
Custom software applications	88 months
Internally generated software	2 months - 118 months
Customer backlog	10 months - 35 months
Customer lists	1 month - 118 months
Data agreements	142 months
Non-compete agreements	1 month - 56 months

20. Goodwill

The following are continuities of the cost and accumulated impairment losses of goodwill for the years ended December 31, 2021 and 2020:

	Year ended December 31, 2021	Year ended December 31, 2020
Cost		
Balance, beginning of year	\$ 310,215	\$ 342,858
Acquisitions (Note 6)	208,049	2,591
Disposals	-	(36,461)
Exchange differences	(2,310)	1,227
Balance, end of year	515,954	310,215
Accumulated impairment losses		
Balance, beginning of year	(49,145)	(82,478)
Fair value loss on net assets directly associated with discontinued operations (Note 11)	-	(3,861)
Disposals	-	36,461
Exchange differences	501	733
Balance, end of year	(48,644)	(49,145)
Net book value as at December 31, 2021	\$ 467,310	\$ 261,070

The carrying value of the Altus Group brand, an indefinite life intangible asset, was tested for impairment at the Company level and no impairment was necessary.

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20. Goodwill, cont'd

The carrying values of goodwill and the ARGUS brand and Finance Active brand, indefinite life intangible assets, were allocated to the Company's CGUs as follows:

	December 31, 2021		December 31, 2020	
	Goodwill	ARGUS Brand and Finance Active Brand	Goodwill	ARGUS Brand
Canada RVA	\$ 36,019	\$ -	\$ 36,019	\$ -
North America Cost	28,411	-	28,411	-
North America Property Tax	50,362	-	49,825	-
Altus Analytics	303,935	33,734	97,564	21,278
U.K. Property Tax	48,437	-	49,095	-
Asia Pacific Cost	146	-	156	-
Total	\$ 467,310	\$ 33,734	\$ 261,070	\$ 21,278

The recoverable amounts of the CGUs were determined using a discounted cash flow analysis to estimate fair value less costs to sell (Level 3). This analysis incorporated assumptions used by market participants. The key assumptions used were as follows:

	December 31, 2021		December 31, 2020	
	Perpetual Growth Rate	Discount Rate (after-tax)	Perpetual Growth Rate	Discount Rate (after-tax)
Canada RVA	3.0%	12.4%	3.0%	13.8%
North America Cost	3.0%	13.1%	3.0%	13.5%
North America Property Tax	3.0%	12.5%	3.0%	12.5%
Altus Analytics	3.0%	14.5%	3.0%	14.5%
U.K. Property Tax	5.0%	14.5%	2.5%	14.5%
Asia Pacific Cost	3.0%	23.0%	3.0%	23.0%

The discounted cash flow analysis uses after-tax cash flow projections based on five-year financial budgets. Cash flows beyond the five-year period were extrapolated using the estimated perpetual growth rates stated above. The growth rates do not exceed the long-term average growth rate for the business in which the CGU operates. Management's margin assumptions were based on historical performance and future expectations. The discount rates used are on an after-tax basis and reflect risks related to the respective CGU.

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20. Goodwill, cont'd

Impairment

Management performed its annual impairment analysis as at October 1, 2021 and determined that the indefinite life intangibles and goodwill were not impaired. Goodwill related to the acquisition of Reonomy has been tested for impairment as at December 31, 2021 and was not impaired.

21. Trade Payables and Other

	December 31, 2021	December 31, 2020
Trade payables	\$ 10,625	\$ 7,596
Accrued expenses	119,213	94,354
Contract liabilities: deferred revenue	73,255	43,032
Deferred consideration payables	6,668	47
Contingent consideration payables	179	-
Dividends payable (Note 28)	6,724	6,124
Provisions	1,551	6,018
Due to related party (GeoVerra)	86	329
	218,301	157,500
Less non-current portion:		
Accrued expenses	20,778	15,449
Contract liabilities: deferred revenue	208	681
Deferred consideration payables	3,462	-
Contingent consideration payables	179	-
Provisions	286	1,076
	24,913	17,206
	\$ 193,388	\$ 140,294

Revenue recognized in relation to contract liabilities

	Year ended December 31, 2021	Year ended December 31, 2020
Revenue recognized that was included in contract liabilities: deferred revenue at the beginning of the year	\$ 40,453	\$ 38,441
Revenue recognized from performance obligations partially satisfied in previous years	23,847	18,070

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December 31, 2021 and 2020

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

21. Trade Payables and Other, cont'd

Provisions consist of:

	Restructuring	Other	Total
Balance as at January 1, 2020	\$ 953	\$ 168	\$ 1,121
Charged to profit or loss:			
Additional provisions, net of releases ⁽¹⁾	13,596	-	13,596
Unwinding of discount (Note 9) ⁽²⁾	27	12	39
Used during the year	(8,754)	25	(8,729)
Exchange differences	(22)	13	(9)
Balance as at December 31, 2020	5,800	218	6,018
Charged to profit or loss:			
Additional provisions, net of releases	15	(25)	(10)
Unwinding of discount (Note 9)	-	5	5
Used during the year	(4,451)	(4)	(4,455)
Exchange differences	7	(14)	(7)
Balance as at December 31, 2021	1,371	180	1,551
Less: non-current portion	(106)	(180)	(286)
	\$ 1,265	\$ -	\$ 1,265

⁽¹⁾ During the year ended December 31, 2020, \$1,612 was charged to restructuring costs (recovery) in discontinued operations (Note 11).

⁽²⁾ During the year ended December 31, 2020, \$5 was charged to finance costs (income), net - other in discontinued operations (Note 11).

22. Borrowings

	December 31, 2021	December 31, 2020
Bank credit facilities	\$ 287,594	\$ 123,000
Less: deferred financing fees	(670)	(568)
	\$ 286,924	\$ 122,432

Amendments to bank credit facilities

On September 24, 2021, the Company amended its bank credit facilities to further strengthen its financial and liquidity position. The amended credit facilities increase the Company's borrowing capacity to \$315,000 from \$275,000 with certain provisions that allow the Company to further increase the limit to \$365,000. The amendment also revised the interest rates under the Company's credit facilities that were benchmarked to LIBOR rates to be benchmarked to SONIA, SOFR and €STR rates.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

22. Borrowings, cont'd

On November 4, 2021, the Company amended its bank credit facilities. The amended credit facilities increase the Company's borrowing capacity to \$400,000 from \$315,000 with certain provisions that allow the Company to further increase the limit to \$450,000.

Loans bear interest at a floating rate, based on the Canadian Prime rates, Canadian Bankers' Acceptance rates, U.S. Base rates, SONIA, SOFR or €STR rates plus, in each case, an applicable margin to those rates. The applicable margin for Canadian Bankers' Acceptance, SONIA, SOFR and €STR borrowings depends on a trailing four-quarter calculation of the funded debt to EBITDA ratio. The weighted average effective interest rate for the bank credit facilities for the year ended December 31, 2021 was 1.58% (2020 - 2.37%).

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

- Maximum Funded Debt to EBITDA ratio: maximum of 4.00:1
- Minimum Interest Coverage ratio: minimum of 3.00:1

As at December 31, 2021, the Company was in compliance with the financial covenants and other requirements of the amended bank credit facilities, which are summarized below:

	December 31, 2021
Funded debt to EBITDA (maximum of 4.00:1)	2.47:1
Interest coverage (minimum of 3.00:1)	30.15:1

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

Contractual payments schedule

Contractual principal repayments on borrowings are as follows:

	December 31, 2021	December 31, 2020
Less than 1 year	\$ -	\$ -
1 to 3 years	287,594	123,000
4 to 5 years	-	-
Over 5 years	-	-
	\$ 287,594	\$ 123,000

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

22. Borrowings, cont'd

Reconciliation of liabilities arising from financing activities, other than leases

	Leasehold Improvement Loans	Bank Credit Facilities	Deferred Financing Fees	Total
Balance as at January 1, 2020	\$ 403	\$ 138,000	\$ (140)	\$ 138,263
Net cash flows	(130)	(15,000)	(723)	(15,853)
Non-cash movements:				
Contribution to joint venture (Note 11)	(273)	-	-	(273)
Amortization	-	-	295	295
Balance as at December 31, 2020	-	123,000	(568)	122,432
Net cash flows	-	162,205	(414)	161,791
Non-cash movements:				
Amortization	-	-	312	312
Exchange differences	-	2,389	-	2,389
Balance as at December 31, 2021	\$ -	\$ 287,594	\$ (670)	\$ 286,924

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23. Share Capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares, issuable in series. The common shares have no par value and rank equally with regard to the Company's residual assets. Holders of these shares are entitled to participate equally in dividends. Common shares issued and outstanding are as follows:

	Common Shares	
	Number of Shares	Amount
Balance as at January 1, 2020	39,826,600	\$ 509,646
Issued on exercise of options (Note 26)	426,856	14,150
Issued under the Dividend Reinvestment Plan	56,027	2,429
Issued for share-based compensation (Note 26)	150,354	6,984
Treasury shares reserved for share-based compensation (Note 26)	(147,062)	(8,923)
Release of treasury shares (Note 26)	116,342	5,580
Balance as at December 31, 2020	40,429,117	529,866
Issued on bought deal financing	2,783,000	164,771
Issued on exercise of options (Note 26)	480,296	16,296
Issued under the Dividend Reinvestment Plan	59,423	3,294
Issued for share-based compensation (Note 26)	506,716	26,971
Treasury shares reserved for share-based compensation (Note 26)	(458,613)	(30,786)
Shares issued on acquisition	172,115	8,362
Release of treasury shares (Note 26)	147,049	7,551
Balance as at December 31, 2021	44,119,103	\$ 726,325

The 44,119,103 common shares as at December 31, 2021 are net of 707,148 treasury shares with a carrying value of \$42,773 that are being held by the Company until vesting conditions are met (Note 26).

On October 4, 2021, the Company completed a \$172,546 bought deal equity financing. A total of 2,783,000 common shares were sold pursuant to the Company's bought deal financing at a price of \$62.00 per common share. In connection with this transaction, the Company incurred share issuance costs of \$7,775, which have been recorded against share capital.

The Company has a Dividend Reinvestment Plan ("DRIP") for shareholders of the Company who are resident in Canada. Under the DRIP, participants may elect to automatically reinvest quarterly dividends into additional common shares of the Company.

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

23. Share Capital, cont'd

Pursuant to the DRIP, and in the case where common shares are issued from treasury, cash dividends are reinvested into additional shares of the Company at the weighted average market price of common shares for the five trading days immediately preceding the relevant dividend payment date, less a discount of 4%. In the case where common shares are purchased on the open market, cash dividends are reinvested into additional shares of the Company at the relevant average market price paid in respect of satisfying this reinvestment plan.

24. Contributed Surplus

	Amount
Balance as at January 1, 2020	\$ 24,447
Share-based compensation (Note 26)	15,398
Gain (loss) on sale of RSs and shares held in escrow	(13)
Shares issued on exercise of options (Note 26)	(2,162)
Release of treasury shares (Note 26)	(5,144)
Shares issued for share-based compensation (Note 26)	(2,098)
Balance as at December 31, 2020	30,428
Share-based compensation (Note 26)	23,938
Gain (loss) on sale of RSs and shares held in escrow	88
Shares issued on exercise of options (Note 26)	(2,482)
Release of treasury shares (Note 26)	(7,023)
Shares issued for share-based compensation (Note 26)	(2,585)
Balance as at December 31 2021	\$ 42,364

25. Accumulated Other Comprehensive Income (Loss)

	Currency Translation Reserve	FVOCI Investments Reserves	Total
Balance as at January 1, 2020	\$ 40,786	\$ (541)	\$ 40,245
Currency translation differences	1,533	-	1,533
Change in fair value of FVOCI investments, net of tax	-	(987)	(987)
Balance as at December 31, 2020	42,319	(1,528)	40,791
Currency translation differences	(4,828)	-	(4,828)
Change in fair value of FVOCI investments, net of tax	-	2,476	2,476
Balance as at December 31, 2021	\$ 37,491	\$ 948	\$ 38,439

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26. Share-based Compensation

The Company's share-based compensation expense, which includes the Executive Compensation Plan (Share Option Plan and Equity Compensation Plan), Long-Term Equity Incentive Plan, Deferred Compensation Plans (RS Plan and RSU Plan), DSU Plans and other share-based awards, was \$38,570 (2020 - \$26,063). The activity in the Company's share-based compensation plans is as follows:

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

On May 6, 2020, the Company's shareholders approved a resolution to increase the number of authorized common shares to be reserved for issuance under the Company's Long-Term Equity Incentive Plan and to ratify the grant of awards made under it to executives and key employees. The resolution increases the maximum number of common shares reserved for issuance by 1,850,000 to 4,075,000.

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

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

	Number of Options Outstanding	Weighted Average Exercise Price
Balance as at January 1, 2020	1,579,283	\$28.98
Granted	675,729	\$46.65
Exercised	(426,856)	\$28.08
Expired/Forfeited	(36,474)	\$32.26
Balance as at December 31, 2020	1,791,682	\$35.78
Granted	226,891	\$58.95
Exercised	(480,296)	\$28.78
Expired/Forfeited	(68,396)	\$41.02
Balance as at December 31, 2021	1,469,881	\$41.39

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26. Share-based Compensation, cont'd

Information about the Company's share options outstanding and exercisable as at December 31, 2021 is as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Exercisable
\$19.67 - \$29.72	277,972	1.78 years	142,552
\$30.70 - \$37.93	367,430	1.78 years	176,689
\$45.11 - \$52.84	606,129	3.34 years	135,045
\$56.49 - \$65.67	218,350	4.28 years	-
\$41.39	1,469,881	2.79 years	454,286

The options granted vest over a period of up to 48 months. The fair value of the options granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2021	2020
Risk-free interest rate	0.77% - 0.78%	0.31% - 0.67%
Expected dividend yield	0.9% - 1.1%	1.1% - 1.3%
Expected volatility	30.11% - 32.92%	25.42% - 33.96%
Expected option life	3.00 - 4.50 years	3.00 - 4.50 years
Exercise price	\$56.49 - \$65.67	\$45.11 - \$52.84
Weighted average grant-date fair value per option	\$11.39 - \$15.38	\$7.19 - \$12.09

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

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26. Share-based Compensation, cont'd

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

	Number of common shares
Balance as at January 1, 2020	126,096
Granted	7,007
Settled	(11,629)
Forfeited	(5,165)
Balance as at December 31, 2020	116,309
Settled	(61,946)
Forfeited	(2,520)
Balance as at December 31, 2021	51,843

The Company settled vested PSUs under the Long-Term Equity Incentive Plan through the issuance of common shares:

	Number of common shares
Settled in March 2020	54,707
Settled in March 2021	111,845

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

	Number of PSUs
Granted in 2020	172,350
Granted in 2021	101,709

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

The following is a summary of the Company's LTIRS Plan activity:

	Number of LTIRSS
Balance as at January 1, 2021 (all unvested)	-
Granted	20,590
Settled	(263)
Balance as at December 31, 2021 (all unvested)	20,327

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26. Share-based Compensation, cont'd

In 2021, the Company granted a total value of \$2,157 under the LTIRS Plan and purchased 20,590 common shares in the open market (through the facilities of the TSX or by private agreement).

The following is a summary of the Company's LTIRSU Plan activity:

	Number of LTIRSUs
Balance as at January 1, 2021 (all unvested)	-
Granted	56,864
Settled	(1,080)
Forfeited	(2,632)
Balance as at December 31, 2021 (all unvested)	53,152

(iii) Deferred Compensation Plans

The following is a summary of the Company's RS Plan activity:

	Number of RSs
Balance as at January 1, 2020 (all unvested)	239,200
Granted	55,714
Settled	(95,542)
Forfeited	(4,718)
Balance as at December 31, 2020 (all unvested)	194,654
Granted	43,152
Settled	(54,492)
Forfeited	(3,334)
Balance as at December 31, 2021 (all unvested)	179,980

In connection with the 2020 performance year, the Company granted a total value of \$4,191 under the RS Plan. In March 2021, the Company purchased 42,705 common shares in the open market (through the facilities of the TSX or by private agreement).

In connection with the 2019 performance year, the Company granted a total value of \$4,017 under the RS Plan. In March 2020, the Company purchased 55,543 common shares in the open market (through the facilities of the TSX or by private agreement).

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26. Share-based Compensation, cont'd

The following is a summary of the Company's RSU Plan activity:

	Number of RSUs
Balance as at January 1, 2020 (all unvested)	327,591
Granted	84,102
Settled	(101,936)
Forfeited	(7,432)
Balance as at December 31, 2020 (all unvested)	302,325
Granted	81,060
Settled	(93,614)
Forfeited	(30,080)
Balance as at December 31, 2021 (all unvested)	259,691

(iv) Deferred Share Unit Plans

The following is a summary of the Company's DSU Plans activity:

	Number of DSUs
Balance as at January 1, 2020	161,662
Granted	53,677
Redeemed	(41,503)
Balance as at December 31, 2020	173,836
Granted	21,165
Balance as at December 31, 2021	195,001

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26. Share-based Compensation, cont'd

(v) Other Share-Based Awards

The following is a summary of the activity related to common shares held in escrow and subject to continued employment related to the Company's acquisition of PTA in December 2020, Finance Active in April 2021, StratoDem Analytics in May 2021, ArGil in August 2021 and Reonomy in November 2021:

	Number of common shares
Balance as at January 1, 2020	-
Granted	84,341
Balance as at December 31, 2020	84,341
Granted	394,871
Settled	(21,086)
Forfeited	(3,129)
Balance as at December 31, 2021	454,997

(vi) Compensation Expense by Plan

	Year ended December 31, 2021	Year ended December 31, 2020
Share Option Plan	\$ -	\$ 82
Equity Compensation Plan	606	1,331
Long-Term Equity Incentive Plan	7,015	8,789
LTIRS Plan	576	-
LTIRSU Plan ⁽¹⁾	849	-
RS Plan	3,907	5,006
RSU Plan ⁽²⁾	8,667	7,434
DSU Plans ⁽³⁾	5,116	3,231
Other share-based awards	11,834	190

⁽¹⁾ For the years ended December 31, 2021 and 2020, the Company recorded mark-to-market adjustments of \$132 and \$nil, respectively.

⁽²⁾ For the years ended December 31, 2021 and 2020, the Company recorded mark-to-market adjustments of \$5,162 and \$3,657, respectively.

⁽³⁾ For the years ended December 31, 2021 and 2020, the Company recorded mark-to-market adjustments of \$3,446 and \$1,876, respectively.

For the year ended December 31, 2020, included in compensation expense above is an amount related to the Geomatics discontinued operations totalling \$292.

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26. Share-based Compensation, cont'd

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

	December 31, 2021	December 31, 2020
LTIRSU Plan	\$ 781	\$ -
RSU Plan	14,729	11,412
DSU Plans	12,638	7,537

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

27. Earnings (Loss) per Share

Basic earnings (loss) per share is calculated by dividing profit (loss) by the weighted average number of common shares outstanding during the year.

The dilutive effect of share options, equity awards, PSUs and restricted shares is determined using the treasury stock method. For the purposes of the weighted average number of common shares outstanding, common shares are determined to be outstanding from the date they are issued.

For the year ended December 31, 2021, 218,350 share options and 20,498 restricted shares (including common shares issued in escrow as part of the LTIRS plan) were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

For the year ended December 31, 2020, 668,229 share options and 90,638 restricted shares (including common shares issued in escrow as part of the Equity Compensation Plan and Long-Term Equity Incentive Plan) were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

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27. Earnings (Loss) per Share, cont'd

The following table summarizes the basic and diluted earnings (loss) per share and the basic and diluted weighted average number of common shares outstanding:

	Year ended December 31, 2021	Year ended December 31, 2020
Profit (loss) for the year from continuing operations - basic and diluted	\$ 25,688	\$ 27,009
Profit (loss) for the year from discontinued operations - basic and diluted	-	(5,576)
Profit (loss) for the year - basic and diluted	\$ 25,688	\$ 21,433
Weighted average number of common shares outstanding - basic	41,684,077	40,158,543
Dilutive effect of share options	429,048	392,449
Dilutive effect of equity awards and PSUs	421,555	410,462
Dilutive effect of restricted shares	364,436	247,612
Weighted average number of common shares outstanding - diluted	42,899,116	41,209,066
Earnings (loss) per share:		
Basic		
Continuing operations	\$0.62	\$0.67
Discontinued operations	\$0.00	\$(0.14)
Diluted		
Continuing operations	\$0.60	\$0.66
Discontinued operations	\$0.00	\$(0.14)

28. Dividends Payable

The Company declared a \$0.15 dividend per common share to shareholders of record on the last business day of each quarter, and dividends were paid on the 15th day of the month following quarter end. Dividends are declared and paid in Canadian dollars.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

28. Dividends Payable, cont'd

A reconciliation of dividends payable is as follows:

	Dividends Payable
Balance as at January 1, 2020	\$ 6,029
Dividends paid	(21,859)
Non-cash movements:	
DRIP (Note 23)	(2,429)
Dividends declared	24,383
Balance as at December 31, 2020	6,124
Dividends paid	(21,564)
Non-cash movements:	
DRIP (Note 23)	(3,294)
Dividends declared	25,458
Balance as at December 31, 2021	\$ 6,724

29. Financial Instruments and Fair Values

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

Notes to Consolidated Financial Statements

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

29. Financial Instruments and Fair Values, cont'd

Financial Instruments by Category

The tables below indicate the carrying values of financial assets and liabilities for each of the following categories:

	December 31, 2021			December 31, 2020		
	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Assets as per Consolidated Balance Sheet:						
Cash and cash equivalents	\$ -	\$ -	\$ 51,271	\$ -	\$ -	\$ 69,637
Trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments)	-	-	203,288	-	-	179,008
Investments in equity instruments	-	14,412	-	-	7,811	-
Investments in partnerships	6,394	-	-	2,545	-	-
Derivative financial instruments	21,529	-	-	11,277	-	-
	\$ 27,923	\$ 14,412	\$ 254,559	\$ 13,822	\$ 7,811	\$ 248,645

	December 31, 2021		December 31, 2020	
	FVPL	Amortized Cost	FVPL	Amortized Cost
Liabilities as per Consolidated Balance Sheet:				
Trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables, deferred consideration payables and contingent consideration payables)	\$ -	\$ 110,051	\$ -	\$ 95,472
Deferred consideration payables	6,668	-	47	-
Contingent consideration payables	179	-	-	-
Borrowings	-	286,924	-	122,432
	\$ 6,847	\$ 396,975	\$ 47	\$ 217,904

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

29. Financial Instruments and Fair Values, cont'd

Cash and cash equivalents, trade receivables and other (excluding deferred costs to obtain customer contracts, contract assets, and prepayments) due within one year, and trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables, deferred consideration payables, and contingent consideration payables) due within one year, are all short-term in nature and, as such, their carrying values approximate their fair values.

The fair values of non-current trade receivables and other and trade payables and other are estimated by discounting the future contractual cash flows at the cost of borrowing to the Company, which approximate their carrying values.

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

Fair Values

Fair value measurements recognized in the consolidated balance sheets are classified in accordance with the fair value hierarchy established by IFRS 13, *Fair Value Measurement*, which reflects the significance of the inputs used in determining the measurements. The inputs can be either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect an entity's pricing based upon its own market assumptions.

The tables below present financial instruments that are measured at fair value. The different levels in the hierarchy have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at each balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

29. Financial Instruments and Fair Values, cont'd

The investments in equity instruments, investments in partnerships and contingent consideration payables are recorded in Level 3 as the amounts are not based on observable inputs. Contingent consideration payables are measured using a discounted cash flow analysis of expected cash flows in future periods. The investments in equity instruments are measured based on valuations of the entity. Investments in partnerships are measured in relation to the fair value of assets reported in the respective partnerships.

The following table summarizes the movement in the Company's contingent consideration payables:

	Contingent Consideration Payables (Discounted)
Balance as at January 1, 2020	\$ 7,667
Changes in expected payment recorded through profit or loss	(1,176)
Unwinding of discount (Note 9)	102
Settlements	(6,639)
Exchange differences	93
Balance as at December 31, 2020	47
Contingent arrangements entered into during the year	173
Unwinding of discount	6
Settlements	(47)
Balance as at December 31, 2021	\$ 179

A 1% increase or decrease in the discount rate could decrease or increase the Company's determination of fair value by approximately \$5 as at December 31, 2021 (December 31, 2020 - \$nil).

The estimated contractual amount of contingent consideration payables as at December 31, 2021 was \$200 (December 31, 2020 - \$47), net of a discount of \$21 (December 31, 2020 - \$nil).

Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

The Company does not enter into derivative financial instruments for speculative purposes.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

29. Financial Instruments and Fair Values, cont'd

(a) Market Risk

Interest rate risk

The Company is exposed to interest rate risk in the event of fluctuations in the Canadian Prime rates, Canadian Bankers' Acceptance rates, U.S. Base rates or LIBOR rates as the interest rates on the revolving term facility fluctuate with changes in these rates.

The Company monitors its interest rate exposure and its hedging strategy on an ongoing basis.

Fluctuations in interest rates will impact profit or loss. For the year ended December 31, 2021, every 1% increase or decrease in the revolving term facility interest rate results in a corresponding \$2,290 decrease or increase in the Company's profit (loss) (2020 - \$1,299).

Currency risk

The Company has operations in Canada, the U.S., Europe and Asia Pacific and, therefore, has exposure to currency risk. There is exposure to foreign exchange fluctuations on transactions between the Company's entities and upon the consolidation of the Company's foreign subsidiaries. Assets and liabilities of foreign subsidiaries are translated at the period-end exchange rate and, therefore, have varying values from exchange rate fluctuations.

The statements of comprehensive income (loss) of the foreign subsidiaries are translated into Canadian dollars using the period's average exchange rate and, accordingly, exchange rate fluctuations impact the Company's revenues and profit (loss), denominated in Canadian dollars.

In order to limit some of its foreign exchange exposure, the Company periodically enters into currency forward contracts.

The Company monitors its foreign exchange exposure and its hedging strategy on an ongoing basis.

The following table summarizes the effect of a 10% strengthening of the Canadian dollar on the Company's profit (loss) as a result of translating the statements of comprehensive income (loss) of foreign subsidiaries, assuming all other variables remain unchanged:

	Year ended December 31, 2021	Year ended December 31, 2020
U.S.	\$ (351)	\$ (2,052)
Europe	(1,822)	(1,119)
Australia	63	2
Asia	60	106

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

29. Financial Instruments and Fair Values, cont'd

A 10% weakening of the Canadian dollar would have an equal but opposite effect, assuming all other variables remain unchanged.

Price risk

The Company is exposed to price risk because the liabilities for cash-settled RSU and DSU plans are classified as FVPL, and linked to the price of the Company's common shares. If the market price of the Company's common shares increases by 5% with all other variables held constant, the impact on profit (loss) would be a decrease of \$1,407 (2020 - \$947). A 5% decrease in the market price of the Company's common shares would have an equal but opposite effect on profit (loss), assuming all other variables remain unchanged.

In order to limit price risk exposure, the Company entered into equity derivatives. Changes in the fair value of these equity derivatives offset the impact of mark-to-market adjustments that are accrued. The notional amount outstanding on these equity derivatives as at December 31, 2021 was \$14,739 (December 31, 2020 - \$12,194) (Note 14).

(b) Credit Risk

The Company is exposed to credit risk with respect to its cash and cash equivalents, trade receivables and other and derivative financial instruments. Credit risk is not concentrated with any particular customer. In certain parts of the Company's 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 on receipt of funds. In addition, the COVID-19 pandemic has introduced additional credit risk. The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets for unbilled revenue on customer contracts. To measure the expected credit losses, trade receivables and contract assets for unbilled revenue on customer contracts have been grouped based on shared credit risk characteristics and the days past due, and incorporate forward-looking information. The loss allowance provision as at December 31, 2021 is determined as follows:

	December 31, 2021			
	0 to 120 days past due	121 to 365 days past due	More than 365 days past due	Total
Expected loss rate	2.20%	36.24%	99.59%	9.42%
Gross carrying amount	\$189,313	\$21,733	\$8,686	\$219,732
Loss allowance provision	\$(4,174)	\$(7,876)	\$(8,650)	\$(20,700)

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

29. Financial Instruments and Fair Values, cont'd

Changes in the gross carrying amount of trade receivables and contract assets for unbilled revenue on customer contracts contributed to the changes in the loss allowance provision. The gross carrying amount was impacted by revenue recognized and amounts invoiced, offset by cash collections and amounts written off as not recoverable or uncollectible. Expected loss rates are determined on a portfolio basis. The expected loss rate for the Company will differ based on the contribution of balances by portfolio and age of those balances. For the year ended December 31, 2021, no significant changes were made to the expected loss rates on a portfolio basis. However, the Company recorded additional provisions on certain of its trade receivable and unbilled revenue balances to reflect credit risk introduced by COVID-19 for customers in the oil and gas, hospitality, utilities and retail industries.

The loss allowance provision for trade receivables and contract assets for unbilled revenue on customer contracts as at December 31, 2021 reconciles to the opening loss allowance provision as follows:

	December 31, 2021
As at January 1, 2020	\$ 12,288
Net charges during the year	13,990
Amounts written off during the year as not recoverable or uncollectible	(8,688)
Exchange differences	(51)
As at December 31, 2020	17,539
Net charges during the year	10,090
Amounts written off during the year as not recoverable or uncollectible	(6,787)
Exchange differences	(142)
As at December 31, 2021	\$ 20,700

The movement of the loss allowance provision has been included in office and other operating expenses in the consolidated statements of comprehensive income (loss). In the event that the collectability of future trade receivables is in question, an adjustment is made to the corresponding contract assets for unbilled revenue on customer contracts. In addition, contract assets for unbilled revenue on customer contracts are assessed for impairment under IFRS 9. Amounts charged to the provision are generally written off when there are no expectations of recovering additional cash. The Company's maximum exposure to credit risk at the reporting date, assuming no mitigating factors, is the carrying value of its cash and cash equivalents, trade receivables and other and derivative financial instruments. The Company does not hold any collateral as security.

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

29. Financial Instruments and Fair Values, cont'd

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows, taking into account the seasonality of the Company's revenues and cash receipts, and the maturity profile of its financial assets and liabilities. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions outside the ordinary course of business, including proposals on mergers, acquisitions or other major investments.

Management believes that funds generated by operating activities and available through its amended bank credit facilities will allow the Company to satisfy its requirements for the purposes of working capital, investments and debt repayments.

The table below summarizes the contractual undiscounted cash flows related to the Company's financial liabilities into relevant maturity groupings based on the remaining period as at the consolidated balance sheet date to the contractual maturity date.

	December 31, 2021						
	Carrying amount	Contractual cash flows	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Trade payables and other (excluding contract liabilities, RSU Plan, LTIRSU Plan and DSU Plans payables and contingent consideration payables)	\$ 110,051	\$ 110,054	\$ 109,121	\$ 373	\$ 72	\$ 488	\$ 110,054
RSU Plan, LTIRSU Plan and DSU Plans payables	28,148	28,148	7,818	6,562	1,130	12,638	28,148
Deferred consideration payables	6,668	6,921	3,461	3,460	-	-	6,921
Contingent consideration payables	179	200	-	200	-	-	200
Borrowings	286,924	287,594	-	287,594	-	-	287,594
Lease liabilities	71,139	77,185	15,667	29,455	17,592	14,471	77,185
	\$ 503,109	\$ 510,102	\$ 136,067	\$ 327,644	\$ 18,794	\$ 27,597	\$ 510,102

Notes to Consolidated Financial Statements

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

30. Capital Management

The Company's objective in managing capital is to ensure that adequate resources are available to fund organic growth and to enable it to undertake strategic acquisitions while continuing as a going concern. The Company's capital is composed of borrowings and shareholders' equity.

Operating cash flows are used to provide sustainable cash dividends to shareholders and fund capital expenditures in support of organic growth. In addition, operating cash flows, supplemented throughout the year with the revolving term facility, are used to fund working capital requirements.

The revolving term facility and equity are used to finance strategic acquisitions. Additionally, vendors of acquired businesses typically receive a portion of the consideration in the form of the Company's common shares.

The Company's capitalization is summarized in the following chart:

	December 31, 2021	December 31, 2020
Borrowings (Note 22)	\$ 286,924	\$ 122,432
Less: cash on hand (Note 12)	(49,536)	(69,637)
Net debt	237,388	52,795
Shareholders' equity	589,363	383,449
Total capitalization	\$ 826,751	\$ 436,244

The Company monitors certain financial covenants on a trailing 12-month basis in line with its amended bank credit facilities (Note 22).

As at December 31, 2021, the Company is in compliance with the financial covenants of its bank credit facilities.

Notes to Consolidated Financial Statements

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

31. Commitments and Contingencies

The Company has the following commitments relating to future minimum payments for contractual obligations that are not recognized as liabilities as at December 31, 2021:

	December 31, 2021	December 31, 2020
No later than 1 year	\$ 10,694	\$ 4,805
Later than 1 year and no later than 5 years	21,477	3,966
Later than 5 years	7,166	-
Total	\$ 39,337	\$ 8,771

The future aggregate minimum sublease payments to be received under non-cancellable subleases as at December 31, 2021 were \$177 (December 31, 2020 - \$172).

As at December 31, 2021, the Company provided letters of credit of approximately \$1,485 to its lessors (December 31, 2020 - \$1,089).

As at December 31, 2021, the Company has guaranteed up to \$1,500 in connection with vehicle leases and related services entered into by GeoVerra (December 31, 2020 - \$1,500).

As at December 31, 2021, the Company has committed to aggregate capital contributions of \$4,847 (Note 15) to certain partnerships (December 31, 2020 - \$418).

From time to time, the Company or its subsidiaries are involved in legal proceedings, claims and litigation in the ordinary course of business with customers, former employees and other parties. Although it is not possible to determine the final outcome of such matters, based on all currently available information, management believes that liabilities, if any, arising from such matters will not have a material adverse effect on the Company's financial position or results of operations and have been adequately provided for in these consolidated financial statements.

In the ordinary course of business, the Company is subject to tax audits from various government agencies relating to income and commodity taxes. As a result, from time to time, the tax authorities may disagree with the positions and conclusions made by the Company in its tax filings, which could lead to assessments and reassessments. These assessments and reassessments may have a material adverse effect on the Company's financial position or results of operations.

Notes to Consolidated Financial Statements

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32. Related Party Transactions

Key Management Compensation

Key management includes the Board of Directors, officers and business unit presidents. The compensation paid or payable to key management for services is shown below:

	Year ended December 31, 2021	Year ended December 31, 2020
Salaries and other short-term benefits	\$ 10,674	\$ 9,226
Termination benefits	1,121	1,777
Share-based payments ⁽¹⁾	9,245	9,742
	\$ 21,040	\$ 20,745

⁽¹⁾ Includes mark-to-market adjustments on share-based payments.

GeoVerra Joint Venture

The Company provides transitional administrative support services to GeoVerra, its joint venture (Note 16), as well as incurring costs for shared office space. During the year ended December 31, 2020, the Company recorded a net recovery of \$231 for such services. As part of ongoing settlement of transactions related to the contribution of net assets into the joint venture, \$3,074 (December 31, 2020 - \$1,675) was included in trade receivables and other and \$86 (December 31, 2020 - \$329) was included in trade payables and other as at December 31, 2021. All related party transactions with GeoVerra were in the normal course of business and measured at the exchange amount.

Notes to Consolidated Financial Statements

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32. Related Party Transactions, cont'd

Controlled Entities

Altus Group Limited is the ultimate parent company. In certain circumstances, the Company has control over entities in which it does not own more than 50% voting interest. In making this determination, the Company considers all relevant facts and circumstances in assessing whether it has power over the entity including rights arising from contractual arrangements that allow the Company to direct the relevant activities and be exposed to variable returns of the entity, among other considerations. The consolidated financial statements consolidate the Company and the subsidiaries listed in the following table:

Entity's Name	December 31, 2021
Altus Group Asia Pacific Limited	100%
Altus Group U.S. Inc.	100%
Altus Group (France) Holdings SAS	100%
Circle Software Acquisition Limited	100%
Argus Software (UK) Ltd.	100%
Circle Software International Limited (UK)	100%
Voyanta Limited (UK)	100%
Argus Software (Canada), Inc.	100%
Argus Software (Oceanic) Pty Ltd.	100%
Altus Group (UK) Limited	100%
2262070 Ontario Limited	100%
Altus Group Data Solutions Inc.	100%
Altus Group S.à.r.l.	100%
Altus Group (Vietnam) Limited	100%
Altus Group (India) Private Limited	100%
Altus Egypt LLC ⁽¹⁾	85%
Altus Group (Hong Kong) Limited	100%
Altus Group Consulting (Thailand) Company Limited	100%
Altus Group Management Holdings (Thailand) Company Limited	100%
Altus Group Services (Thailand) Company Limited	100%
Altus Group Construction Professionals (Thailand) Company Limited	100%
Altus Group Australia Pty Limited	100%
Altus Group (ACT) Pty Limited	100%
Altus Group Consulting Pty Limited	100%

Notes to Consolidated Financial Statements

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

32. Related Party Transactions, cont'd

Entity's Name	December 31, 2021
Altus Group Queensland Pty Limited	100%
Altus Group Cost Management Pty Limited	100%
Altus Group Bay Partnership Pty Limited	100%
Estate Master Group Holdings Pty Limited	100%
Estate Master Pty Limited	100%
Estate Master UK Limited	100%
Estate Master FZ LLC	100%
Altus Group II LLC	100%
Argus Software Inc.	100%
Argus Software (Asia) Pte. Ltd.	100%
One11 Advisors, LLC	100%
Altus UK LLP	100%
Altus Group (UK2) Limited	100%
R2G Limited	100%
Maxwell Brown Surveyors Group Limited	100%
Maxwell Brown Surveyors Limited	100%
Lambournes Holdings Limited	100%
Lambournes Trading Services Limited	100%
CVS (Commercial Valuers & Surveyors) Limited	100%
Taliance Group SAS	100%
Taliance, Inc.	100%
Taliance Limited	100%
Taliance Solutions Canada Inc.	100%
Altus Group (France) Holdings SAS	100%
F3AM SAS	100%
Finance Active SAS	100%
Finance Active SPRL	100%
Finance Active UK Limited	100%
Finance Active SRL	100%
Finance Active SàRL	100%
Finance Active GmbH	100%
Verifino GmbH & Co. KG	70%
Finance Active SARL	100%
Scryer, Inc. d/b/a Reonomy	100%

⁽¹⁾ An Egyptian national owns 15% of the remaining shares.

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32. Related Party Transactions, cont'd

Altus Group Tax Consulting Paralegal Professional Corporation is an entity under control of the Company and has been consolidated in the Company's consolidated financial statements. The Company also has joint control, and 49.5% equity interest, in GeoVerra, which has been accounted for as a joint venture under the equity method.

33. Events After the Reporting Period

Leadership Transition

On February 3, 2022, the Company announced plans for the transition of its leadership team, including the promotion of Jim Hannon as the Company's next CEO effective April 1, 2022, succeeding Mike Gordon who will remain on the Company's Board of Directors. Concurrently, Jorge Blanco has been promoted to the role of President of the Company's Altus Analytics business segment and to the newly created role of Chief Commercial Officer effective April 1, 2022.

Normal Course Issuer Bid ("NCIB")

On February 3, 2022, the Company announced that the TSX had approved its notice of intention to enter into a NCIB. Pursuant to the NCIB, the Company may purchase for cancellation up to 1,345,142 of its outstanding common shares during the period from February 8, 2022 to February 7, 2023. The total number of common shares that the Company is permitted to purchase is subject to a daily purchase limit of 20,336 common shares, other than block purchase exemptions.



Altus Group

LISTINGS

Toronto Stock Exchange
Stock trading symbol: AIF

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