



Altus Group

Financial Statements

Q1 2024

For the three months ended
March 31, 2024

Interim Condensed Consolidated Financial Statements
March 31, 2024 and 2023
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

Table of contents

Interim Condensed Consolidated Statements of Comprehensive Income (Loss).....	1
Interim Condensed Consolidated Balance Sheets.....	2
Interim Condensed Consolidated Statements of Changes in Equity	3
Interim Condensed Consolidated Statements of Cash Flows	4
Notes to Interim Condensed Consolidated Financial Statements.....	5

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
For the Three Months Ended March 31, 2024 and 2023
(Unaudited)
(Expressed in Thousands of Canadian Dollars, Except for Per Share Amounts)

	Notes	Three months ended March 31	
		2024	2023
Revenues	5	\$ 199,543	\$ 190,824
Expenses			
Employee compensation		126,941	123,554
Occupancy		1,965	2,038
Other operating		41,415	45,921
Depreciation of right-of-use assets		2,773	2,911
Depreciation of property, plant and equipment		1,420	1,350
Amortization of intangibles		10,314	11,111
Acquisition and related transition costs (income)		3,558	177
Share of (profit) loss of joint venture		158	(506)
Restructuring costs (recovery)	10	5,387	813
(Gain) loss on investments		186	(413)
Finance costs (income), net – leases	6	279	371
Finance costs (income), net – other	6	4,132	6,374
Profit (loss) before income taxes		1,015	(2,877)
Income tax expense (recovery)	7	1,168	(464)
Profit (loss) for the period		\$ (153)	\$ (2,413)
Other comprehensive income (loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Currency translation differences		5,499	3,381
Items that are not reclassified to profit or loss in subsequent periods:			
Changes in investments measured at fair value through other comprehensive income, net of tax	9	-	646
Other comprehensive income (loss), net of tax		5,499	4,027
Total comprehensive income (loss) for the period, net of tax		\$ 5,346	\$ 1,614
Earnings (loss) per share attributable to the shareholders of the Company during the period			
Basic earnings (loss) per share	14	\$(0.00)	\$(0.05)
Diluted earnings (loss) per share	14	\$(0.00)	\$(0.05)

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

Interim Condensed Consolidated Balance Sheets
As at March 31, 2024 and December 31, 2023
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Notes	March 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		\$ 44,277	\$ 41,892
Trade receivables and other	8	258,125	250,462
Income taxes recoverable		9,404	9,532
Derivative financial instruments		-	677
Total current assets		311,806	302,563
Non-current assets			
Trade receivables and other	8	9,280	10,511
Derivative financial instruments		16,230	8,134
Investments	9	14,820	14,509
Investment in joint venture		22,497	22,655
Deferred tax assets		31,236	30,650
Right-of-use assets		29,287	25,282
Property, plant and equipment		18,163	19,768
Intangibles		265,286	270,641
Goodwill		515,137	509,980
Total non-current assets		921,936	912,130
Total assets		\$ 1,233,742	\$ 1,214,693
Liabilities			
Current liabilities			
Trade payables and other	10	\$ 188,323	\$ 199,220
Income taxes payable		4,459	4,710
Lease liabilities		14,434	14,346
Total current liabilities		207,216	218,276
Non-current liabilities			
Trade payables and other	10	23,682	22,530
Lease liabilities		36,958	33,755
Borrowings	11	327,483	307,451
Deferred tax liabilities		29,266	30,144
Total non-current liabilities		417,389	393,880
Total liabilities		624,605	612,156
Shareholders' equity			
Share capital	12	780,364	769,296
Contributed surplus		47,245	50,143
Accumulated other comprehensive income (loss)		47,933	42,434
Retained earnings (deficit)		(266,405)	(259,336)
Total shareholders' equity		609,137	602,537
Total liabilities and shareholders' equity		\$ 1,233,742	\$ 1,214,693

The accompanying notes are an integral part of these interim condensed consolidated financial statements.
 Commitments and contingencies (Note 17)

Interim Condensed Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2024 and 2023
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Notes	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholders' Equity
As at January 1, 2023		\$ 747,668	\$ 48,608	\$ 47,165	\$ (243,571)	\$ 599,870
Profit (loss) for the period		-	-	-	(2,413)	(2,413)
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	3,381	-	3,381
Changes in investments measured at fair value through other comprehensive income		-	-	646	-	646
Total comprehensive income (loss) for the period		-	-	4,027	(2,413)	1,614
Transactions with owners:						
Dividends declared		-	-	-	(6,880)	(6,880)
Share-based compensation		-	7,161	-	-	7,161
Dividend Reinvestment Plan		240	-	-	-	240
Shares issued on exercise of options		8,554	(1,288)	-	-	7,266
Shares issued for share-based compensation		4,931	(4,931)	-	-	-
Treasury shares reserved for share-based compensation		(5,085)	-	-	-	(5,085)
Release of treasury shares		3,978	(3,627)	-	-	351
Total		12,618	(2,685)	-	(6,880)	3,053
As at March 31, 2023		\$ 760,286	\$ 45,923	\$ 51,192	\$ (252,864)	\$ 604,537
As at January 1, 2024		\$ 769,296	\$ 50,143	\$ 42,434	\$ (259,336)	\$ 602,537
Profit (loss) for the period		-	-	-	(153)	(153)
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	5,499	-	5,499
Total comprehensive income (loss) for the period		-	-	5,499	(153)	5,346
Transactions with owners:						
Dividends declared	15	-	-	-	(6,916)	(6,916)
Share-based compensation	13	-	5,776	-	-	5,776
Dividend Reinvestment Plan	12	839	-	-	-	839
Shares issued on exercise of options	12, 13	6,047	(931)	-	-	5,116
Shares issued for share-based compensation	12, 13	4,667	(4,667)	-	-	-
Treasury shares reserved for share-based compensation	12, 13	(3,616)	-	-	-	(3,616)
Release of treasury shares	12, 13	3,131	(3,028)	-	-	103
Gain (loss) on sale of RSs and shares held in escrow		-	(48)	-	-	(48)
Total		11,068	(2,898)	-	(6,916)	1,254
As at March 31, 2024		\$ 780,364	\$ 47,245	\$ 47,933	\$ (266,405)	\$ 609,137

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

Interim Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2024 and 2023
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Notes	Three months ended March 31	
		2024	2023
Cash flows from operating activities			
Profit (loss) before income taxes		\$ 1,015	\$ (2,877)
Adjustments for:			
Depreciation of right-of-use assets		2,773	2,911
Depreciation of property, plant and equipment		1,420	1,350
Amortization of intangibles		10,314	11,111
Finance costs (income), net - leases	6	279	371
Finance costs (income), net - other	6	4,132	6,374
Share-based compensation	13	5,776	7,161
Unrealized foreign exchange (gain) loss		(1,326)	435
(Gain) loss on investments		186	(413)
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles		983	(2)
(Gain) loss on equity derivatives		(6,453)	(1,756)
Share of (profit) loss of joint venture		158	(506)
Impairment of right-of-use assets, net of (gain) loss on sub-leases		12	760
Net changes in:			
Operating working capital		(19,787)	(49,225)
Liabilities for cash-settled share-based compensation		4,831	(611)
Deferred consideration payables		81	-
Net cash generated by (used in) operations		4,394	(24,917)
Less: interest paid on borrowings		(4,828)	(4,816)
Less: interest paid on leases		(279)	(371)
Less: income taxes paid		(2,259)	(878)
Add: income taxes refunded		3	-
Net cash provided by (used in) operating activities		(2,969)	(30,982)
Cash flows from financing activities			
Proceeds from exercise of options	12, 13	5,116	7,266
Financing fees paid		-	3
Proceeds from borrowings	11	20,000	38,000
Repayment of borrowings	11	(3,000)	(9,497)
Payments of principal on lease liabilities		(4,235)	(3,131)
Proceeds from right-of-use asset lease inducements		-	525
Dividends paid	15	(6,042)	(6,576)
Treasury shares purchased for share-based compensation	12, 13	(3,561)	(4,734)
Net cash provided by (used in) financing activities		8,278	21,856
Cash flows from investing activities			
Purchase of investments	9	(212)	-
Purchase of intangibles		(2,477)	(1,876)
Purchase of property, plant and equipment		(238)	(1,556)
Net cash provided by (used in) investing activities		(2,927)	(3,432)
Effect of foreign currency translation		3	152
Net increase (decrease) in cash and cash equivalents		2,385	(12,406)
Cash and cash equivalents, beginning of period		41,892	55,267
Cash and cash equivalents, end of period		\$ 44,277	\$ 42,861

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

1. Business and Structure

Altus Group Limited (the “Company”) is a leading provider of asset and fund intelligence for commercial real estate. The Company delivers intelligence as a service to its global client base through a connected platform of industry-leading technology, advanced analytics and advisory services. The Company is a global company headquartered in Toronto with approximately 3,000 employees across North America, EMEA and Asia Pacific.

The Company conducts its business through two business units: 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

These interim condensed consolidated financial statements (“interim financial statements”) as at and for the period ended March 31, 2024 follow the same accounting policies and methods of application as those used in the Company’s most recent audited annual consolidated financial statements as at and for the year ended December 31, 2023, except as disclosed below.

These interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. Accordingly, they do not include all of the information and disclosures required in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), and should be read in conjunction with the Company’s audited annual consolidated financial statements as at and for the year ended December 31, 2023.

These interim financial statements were approved by the Board of Directors for issue on May 2, 2024.

3. Changes in Material Accounting Policies and Estimates

Adoption of Recent Accounting Pronouncements

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

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 12 months;
- require disclosures around the relevant information about the covenants to be complied with in order to have the right to defer settlement of a liability by at least 12 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.

The new guidance to annual periods beginning on or after January 1, 2024 is to be applied retrospectively. These amendments did not have a material impact on the interim financial statements.

3. Changes in Material 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.

4. Critical Accounting Estimates and Judgments

The preparation of interim 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, revenues 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. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the most recent annual financial statements.

5. Segmented Information

The Company's segmentation reflects the way the Chief Executive Officer ("CEO") allocates resources and assesses the performance of 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 the measures of revenue and Adjusted EBITDA. The CEO considers the business from a core services perspective, which are Analytics and Commercial Real Estate ("CRE") Consulting. The Company reports the results of its operations through reportable segments: (1) Analytics, and under CRE Consulting services, (2) Property Tax and (3) Appraisals and Development Advisory. These reportable segment results include directly attributable items as well as those that can be allocated on a reasonable basis. Corporate and eliminations include the Company's interests in investments and other businesses that are not reportable operating segments, corporate administrative functions, and eliminations of inter-segment revenue and costs.

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

5. Segmented Information, cont'd

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

	Three months ended March 31, 2024	Three months ended March 31, 2023
Profit (loss) for the period	\$ (153)	\$ (2,413)
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 ⁽¹⁾	(3,081)	(3,002)
Depreciation of right-of-use assets	2,773	2,911
Depreciation of property, plant and equipment and amortization of intangibles	11,734	12,461
Acquisition and related transition costs (income)	3,558	177
Unrealized foreign exchange (gain) loss ⁽²⁾	(1,326)	435
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles ⁽²⁾	983	(2)
Share of (profit) loss of joint venture	158	(506)
Non-cash share-based compensation costs ⁽³⁾	4,429	5,833
(Gain) loss on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs ⁽³⁾	(1,743)	(572)
Restructuring costs (recovery)	5,387	813
(Gain) loss on investments ⁽⁴⁾	186	(413)
Other non-operating and/or non-recurring (income) costs ⁽⁵⁾	1,268	4,525
Finance costs (income), net – leases	279	371
Finance costs (income), net – other	4,132	6,374
Income tax expense (recovery)	1,168	(464)
Adjusted EBITDA	\$ 29,752	\$ 26,528

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

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

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

⁽⁵⁾ Other non-operating and/or non-recurring income (costs) for the three months ended March 31, 2024 relate to legal, advisory, consulting, and other professional fees related to organizational and strategic initiatives. These are included in other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).

5. Segmented Information, cont'd

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

Segment Revenues and Expenditures

Three months ended March 31, 2024						
	Analytics	Commercial Property Tax	Real Estate Appraisals and Development Advisory Consulting	Corporate ⁽¹⁾	Eliminations	Total
Revenues from external customers	\$ 98,796	\$ 74,125	\$ 26,622	\$ -	\$ -	\$ 199,543
Inter-segment revenues	200	-	-	-	(200)	-
Total segment revenues	98,996	74,125	26,622	-	(200)	199,543
Adjusted EBITDA	23,087	18,830	(120)	(12,045)	-	29,752
Depreciation of right-of-use assets	1,364	713	644	52	-	2,773
Depreciation of property, plant and equipment and amortization of intangibles	7,902	2,372	314	1,146	-	11,734
Finance costs (income), net – leases	164	115	106	(106)	-	279
Finance costs (income), net – other	-	-	-	4,132	-	4,132
Income tax expense (recovery)	-	-	-	1,168	-	1,168

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

Three months ended March 31, 2023						
	Analytics	Commercial Property Tax	Real Estate Appraisals and Development Advisory Consulting	Corporate ⁽¹⁾	Eliminations	Total
Revenues from external customers	\$ 94,428	\$ 66,684	\$ 29,712	\$ -	\$ -	\$ 190,824
Inter-segment revenues	216	-	-	-	(216)	-
Total segment revenues	94,644	66,684	29,712	-	(216)	190,824
Adjusted EBITDA	20,212	15,072	2,978	(11,734)	-	26,528
Depreciation of right-of-use assets	1,389	891	584	47	-	2,911
Depreciation of property, plant and equipment and amortization of intangibles	8,505	2,188	375	1,393	-	12,461
Finance costs (income), net – leases	136	117	100	18	-	371
Finance costs (income), net – other	-	-	-	6,374	-	6,374
Income tax expense (recovery)	-	-	-	(464)	-	(464)

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

6. Finance Costs (Income), Net

	Three months ended March 31, 2024	Three months ended March 31, 2023
Interest on bank credit facilities	\$ 4,928	\$ 5,132
Interest on lease liabilities	279	371
Interest - other	212	73
Change in fair value of interest rate swaps	(897)	1,208
Finance costs	4,522	6,784
Finance income	(111)	(39)
Finance costs (income), net	\$ 4,411	\$ 6,745

7. Income Taxes

	Three months ended March 31, 2024	Three months ended March 31, 2023
Income tax expense (recovery)		
Current	\$ 2,246	\$ (725)
Deferred	(1,078)	261
Income tax expense (recovery)	\$ 1,168	\$ (464)

8. Trade Receivables and Other

	March 31, 2024	December 31, 2023
Trade receivables	\$ 165,803	\$ 172,342
Less: loss allowance provision	(17,771)	(18,120)
Trade receivables, net	148,032	154,222
Contract assets: unbilled revenue on customer contracts ⁽¹⁾	73,759	63,413
Deferred costs to obtain customer contracts	5,164	4,934
Prepayments	28,914	27,839
Net investment in sub-leases	9,985	9,764
Other receivables	1,551	801
Total trade receivables and other	267,405	260,973
Less: non-current portion	(9,280)	(10,511)
Trade receivables and other - current	\$ 258,125	\$ 250,462

⁽¹⁾ As at March 31, 2024, contract assets are stated net of expected credit losses of \$1,025 (December 31, 2023 - \$1,117).

For the three months ended March 31, 2024, amortization associated with deferred costs to obtain customer contracts of \$1,480 was expensed to the interim condensed consolidated statements of comprehensive income (loss) (2023 - \$837). For the three months ended March 31, 2024 and 2023, no impairment losses on deferred costs were recognized.

9. Investments

	March 31, 2024	December 31, 2023
Investments in equity instruments	\$ 6,821	\$ 6,675
Investments in partnerships	7,999	7,834
Investments	\$ 14,820	\$ 14,509

10. Trade Payables and Other

	March 31, 2024	December 31, 2023
Trade payables	\$ 16,254	\$ 17,541
Accrued expenses	99,073	114,475
Contract liabilities: deferred revenue	79,947	72,574
Deferred consideration payables	1,755	1,674
Contingent consideration payables	200	200
Dividends payable (Note 15)	6,916	6,881
Provisions	7,860	8,405
Total trade payables and other	212,005	221,750
Less non-current portion:		
Accrued expenses	22,846	20,895
Provisions	836	1,635
Trade payables and other – non-current	23,682	22,530
Trade payables and other – current	\$ 188,323	\$ 199,220

Provisions

	Restructuring	Other	Total
Balance as at January 1, 2024	\$ 8,209	\$ 196	\$ 8,405
Additional provisions, net of releases	5,375	2	5,377
Used during the period	(5,574)	-	(5,574)
Exchange differences	(343)	(5)	(348)
Balance as at March 31, 2024	7,667	193	7,860
Less: non-current portion	(643)	(193)	(836)
Provisions - current	\$ 7,024	\$ -	\$ 7,024

Beginning the first quarter of 2024, the Company initiated a global restructuring program which resulted in restructuring costs of \$5,375 for the period ended March 31, 2024, primarily related to employee severance costs.

11. Borrowings

	March 31, 2024	December 31, 2023
Bank credit facilities	\$ 328,560	\$ 308,628
Less: deferred financing fees	(1,077)	(1,177)
Net borrowings	\$ 327,483	\$ 307,451

The Company's bank credit facilities as governed by the amended and restated credit agreement dated June 28, 2022 provides the Company a borrowing capacity of \$550,000 with certain provisions that allow the Company to further increase the limit to \$650,000. The Company's bank credit facilities have a maximum Funded debt to EBITDA financial covenant ratio of 4.50 with provisions that allow for a short-term increase up to 5.00 following certain business acquisitions, and are secured on certain assets of the Company. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at the Company's option. The Company has obtained a commitment from certain lenders to increase its borrowing capacity under its existing bank facilities to fund the acquisition of the Commercial Real Estate Valuation and Advisory Services ("REVS") Business of Situs Group, LLC (a SitusAMC company). The increase is subject to completion of the acquisition of REVS, satisfaction of typical conditions precedent and definitive documentation.

As at March 31, 2024, the Company was in compliance with the financial covenants of the amended bank credit facilities, which are summarized below:

	March 31, 2024
Funded debt to EBITDA (maximum of 4.50:1)	2.15:1
Interest coverage (minimum of 3.00:1)	6.81:1

12. 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, 2024	45,450,657	\$ 769,296
Issued on exercise of options (Note 13)	156,591	6,047
Issued under the Dividend Reinvestment Plan	19,939	839
Issued for share-based compensation (Note 13)	59,970	4,667
Treasury shares reserved for share-based compensation (Note 13)	(42,967)	(3,616)
Release of treasury shares (Note 13)	33,196	3,131
Balance as at March 31, 2024	45,677,386	\$ 780,364

As at March 31, 2024, the 45,677,386 common shares (December 31, 2023 - 45,450,657) are net of 426,931 treasury shares (December 31, 2023 - 417,160) with a carrying value of \$26,740 (December 31, 2023 - \$26,255) that are held in escrow until vesting conditions are met (Note 13).

On February 3, 2023, the TSX approved the renewal of the Company's Normal Course Issuer Bid ("NCIB"), which allowed the Company to purchase up to 1,364,718 common shares for cancellation during the period from February 8, 2023 to February 7, 2024, subject to certain daily limitations.

On January 26, 2024, the TSX approved the renewal of our NCIB. Pursuant to the NCIB, the Company may purchase for cancellation up to 1,376,034 of its outstanding common shares during the period from February 8, 2024 to February 7, 2025, representing approximately 3% of the Company's issued and outstanding common shares as at January 24, 2024. The total number of common shares that the Company is permitted to purchase is subject to a daily purchase limit of 20,969 common shares, representing 25% of the average daily trading volume as of the 26-week period ending December 31, 2023, other than block purchase exemptions.

On March 5, 2024, the Company entered into an automatic share purchase plan ("ASPP") with a designated broker for the purpose of permitting the Company to purchase its common shares under the NCIB during self-imposed blackout periods. The volume of purchases is determined by the broker in its sole discretion based on maximum purchase price and volume parameters established by the Company under the ASPP. All purchases made under the ASPP will be included in computing the number of common shares purchased under the NCIB. As at March 31, 2024, an obligation to purchase common shares up to a maximum of \$2,000 has been recognized under the ASPP in trade payables and other, with an offset to contributed surplus.

During the three months ended March 31, 2024 and 2023, the Company did not purchase any common shares under the renewed NCIB.

13. Share-based Compensation

The activity in the Company's share-based compensation plans during the period is as follows:

(i) Long-Term Equity Incentive Plan

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, 2024	2,216,822	\$48.61
Granted	426,602	\$51.33
Exercised	(156,591)	\$32.67
Forfeited/Expired	(4,145)	\$36.82
Balance as at March 31, 2024	2,482,688	\$50.10

Information about the Company's share options outstanding and exercisable as at March 31, 2024 is as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Exercisable
\$36.91 - \$39.60	31,888	3.06 years	12,750
\$43.38 - \$49.59	1,197,570	2.38 years	676,250
\$50.19 - \$57.88	927,674	3.81 years	176,252
\$59.15 - \$65.67	325,556	3.47 years	116,402
\$50.10	2,482,688	3.07 years	981,654

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:

	2024
Risk-free interest rate	3.48%
Expected dividend yield	1.2%
Expected volatility	34.04% - 35.10%
Expected option life	3.00 - 4.50 years
Exercise price	\$50.55 - \$51.62
Weighted average grant-date fair value per option	\$13.02 - \$15.99

13. Share-based Compensation, cont'd

The Company settled vested performance share units (“PSUs”) under the Long-Term Equity Incentive Plan through the issuance of common shares:

	Number of common shares
Settled in March 2023	206,206
Settled in March 2024	59,970

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

	Number of PSUs
Granted in 2023	127,963
Granted in 2024	204,107

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

The following is a summary of the Company’s Long-Term Incentive Restricted Share Plan (“LTIRS Plan”) activity:

	Number of LTIRs
Balance as at January 1, 2024 (all unvested)	44,283
Granted	42,967
Settled	(10,125)
Forfeited	(829)
Balance as at March 31, 2024 (all unvested)	76,296

In 2024, the Company granted a total value of \$3,616 under the LTIRS Plan and purchased 42,967 common shares in the open market.

The following is a summary of the Company’s Long-Term Incentive Restricted Share Unit Plan (“LTIRSU Plan”) activity:

	Number of LTIRSUs
Balance as at January 1, 2024 (all unvested)	213,075
Granted	224,434
Settled	(15,861)
Forfeited	(4,592)
Balance as at March 31, 2024 (all unvested)	417,056

13. Share-based Compensation, cont'd

(iii) Deferred Compensation Plans

The following is a summary of the Company's restricted share plan ("RS Plan") activity:

	Number of RSs
Balance as at January 1, 2024 (all unvested)	81,502
Settled	(22,891)
Forfeited	(567)
Balance as at March 31, 2024 (all unvested)	58,044

In connection with the 2023 performance year, the Company granted a total value of \$nil under the RS Plan.

In connection with the 2022 performance year, the Company granted a total value of \$3,717 under the RS Plan. In March 2023, the Company purchased 37,303 common shares in the open market.

The following is a summary of the Company's restricted share unit plan ("RSU Plan") activity:

	Number of RSUs
Balance as at January 1, 2024 (all unvested)	269,376
Settled	(54,191)
Forfeited	(1,989)
Balance as at March 31, 2024 (all unvested)	213,196

(iv) Deferred Share Unit Plans

The following is a summary of the Company's deferred share unit plans ("DSU Plans") activity:

	Number of DSUs
Balance as at January 1, 2024	233,697
Granted	14,184
Balance as at March 31, 2024	247,881

13. 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 Property Tax Assistance Company Inc., Finance Active SAS, StratoDem Analytics, LLC, ArGil Property Tax Services Paralegal Professional Corporation, and Rethink Solutions Inc.:

	Number of common shares
Balance as at January 1, 2024	291,374
Balance as at March 31, 2024	291,374

(vi) Compensation Expense by Plan

	Three months ended March 31, 2024	Three months ended March 31, 2023
Long-Term Equity Incentive Plan	\$ 3,168	\$ 3,670
LTIRS Plan	797	257
LTIRSU Plan ⁽¹⁾	2,327	485
RS Plan	550	1,071
RSU Plan ⁽²⁾	2,506	1,946
DSU Plans ⁽³⁾	2,814	864
Other share-based awards	1,261	2,163

⁽¹⁾ For the three months ended March 31, 2024 and 2023, the Company recorded mark-to-market adjustments of \$803 and \$76, respectively.

⁽²⁾ For the three months ended March 31, 2024 and 2023, the Company recorded mark-to-market adjustments of \$1,420 and \$453, respectively.

⁽³⁾ For the three months ended March 31, 2024 and 2023, the Company recorded mark-to-market adjustments of \$2,192 and \$436, respectively.

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

	March 31, 2024	December 31, 2023
LTIRSU Plan	\$ 7,677	\$ 4,199
RSU Plan	7,683	9,144
DSU Plans	12,907	10,093

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

14. Earnings (Loss) per Share

For the three months ended March 31, 2024, 2,482,688 share options, 426,171 RSs (including common shares issued in escrow as part of the LTIRS Plan) and 645,707 PSUs were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

For the three months ended March 31, 2023, 2,357,167 share options, 564,540 RSs (including common shares issued in escrow as part of the LTIRS Plan) and 452,665 PSUs were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

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

	Three months ended March 31, 2024	Three months ended March 31, 2023
Profit (loss) for the period attributable to shareholders of the Company - basic and diluted	\$ (153)	\$ (2,413)
Weighted average number of common shares outstanding - basic	45,533,236	45,012,311
Dilutive effect of share options	-	-
Dilutive effect of equity awards and PSUs	-	-
Dilutive effect of RSs	-	-
Weighted average number of common shares outstanding - diluted	45,533,236	45,012,311
Earnings (loss) per share:		
Basic	\$(0.00)	\$(0.05)
Diluted	\$(0.00)	\$(0.05)

15. 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.

16. 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 Plan payables, deferred consideration payables, and contingent consideration payables), deferred consideration payables, contingent consideration payables, and borrowings.

Financial Instruments by Category

The Company classifies its financial assets as fair value through profit or loss ("FVPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost. The tables below indicate the carrying values of financial assets and liabilities for each of the following categories:

	March 31, 2024			December 31, 2023		
	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Assets as per Interim Condensed Consolidated Balance Sheets:						
Cash and cash equivalents	\$ -	\$ -	\$ 44,277	\$ -	\$ -	\$ 41,892
Trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments)	-	-	233,327	-	-	228,200
Investments in equity instruments	-	6,821	-	-	6,675	-
Investments in partnerships	7,999	-	-	7,834	-	-
Derivative financial instruments	16,230	-	-	8,811	-	-
Total	\$ 24,229	\$ 6,821	\$ 277,604	\$ 16,645	\$ 6,675	\$ 270,092

	March 31, 2024		December 31, 2023	
	FVPL	Amortized Cost	FVPL	Amortized Cost
Liabilities as per Interim Condensed Consolidated Balance Sheets:				
Trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables, deferred consideration payables, and contingent consideration payables)	\$ -	\$ 101,836	\$ -	\$ 123,866
Lease liabilities	-	51,392	-	48,101
Deferred consideration payables	1,755	-	1,674	-
Contingent consideration payables	200	-	200	-
Borrowings	-	327,483	-	307,451
Total	\$ 1,955	\$ 480,711	\$ 1,874	\$ 479,418

16. Financial Instruments and Fair Values, cont'd

Fair Values

The following tables present the fair value hierarchy under which the Company's financial instruments are valued:

March 31, 2024				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in equity instruments	\$ -	\$ -	\$ 6,821	\$ 6,821
Investments in partnerships	-	-	7,999	7,999
Derivative financial instruments	-	16,230	-	16,230
Liabilities:				
Borrowings	-	328,560	-	328,560
Deferred consideration payables	-	-	1,755	1,755
Contingent consideration payables	-	-	200	200

December 31, 2023				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in equity instruments	\$ -	\$ -	\$ 6,675	\$ 6,675
Investments in partnerships	-	-	7,834	7,834
Derivative financial instruments	-	8,811	-	8,811
Liabilities:				
Borrowings	-	308,628	-	308,628
Deferred consideration payables	-	-	1,674	1,674
Contingent consideration payables	-	-	200	200

For the three months ended March 31, 2024 and 2023, there were no transfers between the levels in the hierarchy.

On April 29, 2022, the Company entered into interest rate swap agreements for a total notional amount of GBP57,000. The Company is obligated to pay the counterparty to the swap agreements an amount based upon a fixed interest rate of 2.07% per annum, and the counterparty is obligated to pay the Company an amount equal to the GBP - SONIA. These agreements expire on April 13, 2027. These interest rate swaps are not designated as cash flow hedges.

16. Financial Instruments and Fair Values, cont'd

Cash and cash equivalents, trade receivables and other (excluding deferred costs to obtain customer contracts, 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, 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.

Derivative financial instruments are recorded in Level 2. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of equity derivatives is calculated based on the movement in the Company's common share price between the initial common share price on the effective date and the reporting date, which are observable inputs. The fair value of currency forward contracts is calculated based on the spread between the currency forward rate and the rate on the reporting date, which are observable inputs, and applied to the notional amount.

The fair value of the bank credit facilities approximates their carrying value, as the instruments bear interest at rates comparable to current market rates. The fair value of deferred consideration payables approximates their carrying value, as the valuation techniques and discount rates applied are comparable to those based on observable market data, where available.

17. Commitments and Contingencies

As at March 31, 2024, the Company provided letters of credit of approximately \$1,063 to its lessors (December 31, 2023 - \$1,044).

As at March 31, 2024, the Company has committed to aggregate capital contributions of \$3,151 (Note 9) to certain partnerships (December 31, 2023 - \$3,357).

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 interim 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.



Altus Group

LISTINGS

Toronto Stock Exchange
Stock trading symbol: AIF

AUDITORS

ERNST & YOUNG LLP

TRANSFER AGENT

TSX Trust Company
301 - 100 Adelaide Street West, Toronto, ON M5H 4H1
Toronto: (416) 682-3860
Toll-free throughout North America: 1 (800) 387-0825
Facsimile: 1-888-249-6189
Website: www.tsxtrust.com
Email: shareholderinquiries@tmx.com

HEADQUARTERS

33 Yonge Street, Suite 500, Toronto, Ontario, Canada M5E 1G4
Telephone: (416) 641-9500
Toll-free Telephone: 1 (877) 953-9948
Facsimile: (416) 641-9501
Website: www.altusgroup.com
Email: info@altusgroup.com