Altus Reports Fourth Quarter and Fiscal 2021 Financial Results

Posts 11% Topline & Earnings Year-over-Year Growth in 2021

TORONTO (February 24, 2022) - Altus Group Limited ("Altus" or "the Company") (TSX: AIF), a market leading intelligence-as-a-service provider to the global commercial real estate ("CRE") industry, announced today its financial and operating results for the fourth quarter and year ended December 31, 2021.

Unless otherwise indicated, all amounts are in Canadian dollars and percentages are in comparison to the same period in 2020.

2021 Summary:

- Consolidated revenues were $625.4 million, up 11.4% (14.7% on a constant currency basis).
- Consolidated profit from continuing operations, in accordance with IFRS, was $25.6 million, down 5.3% from $27.0 million.
- Consolidated earnings per share from continuing operations, in accordance with IFRS, was $0.62 per share basic and $0.60 per share diluted, compared to $0.67 and $0.66, respectively.
- Consolidated Adjusted EBITDA* was $109.8 million, up 10.9% (15.1% on a constant currency basis).
- Adjusted EPS* was $1.90, up 13.8% from $1.67.
- Altus Analytics revenues were $251.1 million, up 23.3% (29.9% on a constant currency basis), of which Over Time revenues* were $207.8 million, up 23.9% (29.4% on a constant currency basis), and Adjusted EBITDA was $41.6 million, up 16.0% (25.2% on a constant currency basis).
- Altus Analytics Bookings* totaled $95.1 million, up 76.1% (84.9% on a constant currency basis), of which organic growth in Bookings was 65.3% (74.1% on a constant currency basis).
- At the end of 2021, 42%* of the Company's total ARGUS Enterprise ("AE") user base had been contracted on ARGUS Cloud, compared to 14% at the end of 2020.
- CRE Consulting revenues were $374.6 million, up 4.7% (6.0% on a constant currency basis) and Adjusted EBITDA was $104.1 million, up 13.0% (14.0% on a constant currency basis).
- As at December 31, 2021, bank debt was $287.6 million and cash and cash equivalents was $51.3 million (representing a funded debt to Adjusted EBITDA leverage ratio of 2.47 times, as such ratio is defined in our credit facility agreement, or a net debt to Adjusted EBITDA leverage ratio* of 2.17 times).
- During the year three highly strategic acquisitions were completed:
    - Finance Active, a debt management SaaS solution that provides Altus with a platform for CRE debt valuation and risk management and an international footprint;
    - StratoDem Analytics, a data-science-as-a-service for the real estate sector that, together with Altus' data and technology, provides predictive analytics to maximize asset and portfolio performance; and
    - Reonomy, an AI-powered data platform for the CRE industry that provides comprehensive data and technology for the delivery of Altus' intelligence-as-a-service offering.

Fourth Quarter 2021 Summary:

- Consolidated revenues were $162.9 million, up 16.8% (19.9% on a constant currency basis).
- Consolidated profit from continuing operations, in accordance with IFRS, was $6.9 million, up 49.1% from $4.6 million.
- Consolidated earnings per share from continuing operations, in accordance with IFRS, was $0.16 per share basic and $0.15 per share diluted, compared to $0.11 per share basic and diluted.
- Consolidated Adjusted EBITDA was $25.9 million, down 3.3% (up 1.3% on a constant currency basis).
- Adjusted EPS was $0.42 down from $0.44.
- Altus Analytics revenues were $72.4 million, up 40.6% (46.6% on a constant currency basis), of which Over Time revenues were $59.8 million, up 37.6% (41.0% on a constant currency basis), and Adjusted EBITDA was $10.7 million, up 9.0% (19.1% on a constant currency basis).
- Altus Analytics Bookings totaled $31.1 million, up 109.5% (113.3% on a constant currency basis), of which organic growth in Bookings was 86.9% (90.7% on a constant currency basis).
- CRE Consulting revenues were $90.6 million, up 2.9% (4.2% on a constant currency basis) and Adjusted EBITDA was $24.2 million, in line with 2021.
- Completed a $172.5 million equity financing, including the issuance of approximately 2.8 million shares priced at $62.00 per common share in October 2021, and further amended our bank credit facilities in November 2021 to increase borrowing capacity to $400 million, with certain provisions to further increase the limit to $450 million.

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

Jim Hannon, incoming Chief Executive Officer of Altus said:

"Our fourth quarter results reflect growing momentum in our business and underscore strong operating execution during 2021. Our 11% topline and earnings growth marked a solid finish to a very productive year for Altus. We made tremendous strategic progress to put the Company on a path to accelerate growth and deliver competitive differentiation to our customers. We enter 2022 with strong demand for our solutions, with an improved operating posture and strong momentum to deliver sustained robust revenue growth at expanded margins. I couldn't be more excited to lead Altus during this pivotal time of growth and transformation."

Summary of Operating and Financial Performance by Business Segment:

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

Consolidated			Year ended December 31,					Quarter ended December 31,
In thousands of dollars, except for per share amounts	**2021**	2020	% Change	Constant Currency % Change	**2021**	2020	% Change	Constant Currency % Change
Revenues	$ 625,387	$ 561,156	11.4%	14.7%	$ 162,909	$ 139,480	16.8%	19.9%
Adjusted EBITDA*	$ 109,755	$ 98,928	10.9%	15.1%	$ 25,861	$ 26,734	-3.3%	1.3%
Adjusted EBITDA Margin*	17.5%	17.6%			15.9%	19.2%		
Profit (loss) from continuing operations	$ 25,573	$ 27,009			$ 6,890	$ 4,622		
Earnings (loss) per share from continuing operations:								
Basic	$0.62	$0.67			$0.16	$0.11		
Diluted	$0.60	$0.66			$0.15	$0.11		
Adjusted*	$1.90	$1.67			$0.42	$0.44		
Dividends declared per share	$0.60	$0.60			$0.15	$0.15		

**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 a reconciliation of Adjusted EBITDA to Profit (Loss) and Adjusted Earnings (Loss) per Share to Profit (Loss).*

Altus Analytics			Year ended December 31,					Quarter ended December 31,
In thousands of dollars	**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*	$ 41,567	$ 35,845	16.0%	25.2%	$ 10,698	$ 9,815	9.0%	19.1%
Adjusted EBITDA Margin*	16.6%	17.6%			14.8%	19.1%		
Other Measures*								
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%						

**Altus uses certain non-GAAP financial measures such as Adjusted EBITDA and Adjusted EBITDA Margin as well as supplementary financial 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 and a reconciliation of Adjusted EBITDA to Profit (Loss).*

CRE Consulting		Year ended December 31,				Quarter ended December 31,		
In thousands of dollars	**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*								
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%		

**Altus uses certain non-GAAP financial measures such as Adjusted EBITDA and Adjusted EBITDA Margin. Since these measures are not standard measures under GAAP, they may not be comparable to similar measures reported by other entities. Refer to the "Non-GAAP and Other Measures" section for more information on each measure and a reconciliation of Adjusted EBITDA to Profit (Loss).*

Q4 2021 Review

On a consolidated basis, revenues were $162.9 million, up 16.8% (19.9% on a constant currency basis).and Adjusted EBITDA was $25.9 million, down 3.3% (up 1.3% on a constant currency basis). Organic revenue growth was 6.9% (9.3% on a constant currency basis) and organic Adjusted EBITDA growth was 0.3% (4.4% on a constant currency basis). Adjusted EPS was $0.42, compared to $0.44 in the fourth quarter of 2020.

Consolidated profit from continuing operations, in accordance with IFRS, was $6.9 million, up 49.1% from $4.6 million in the same period in 2020. In addition to the higher Adjusted EBITDA performance, profit from continuing operations was impacted by additional acquisition and related transition costs, costs related to the June 13, 2021 cybersecurity incident net of insurance proceeds received and receivable, share-based compensation costs, amortization of acquisition-related intangibles and right-of-use assets, and incremental finance costs on our bank debt. This was offset by lower restructuring costs related to the Company's 2020 global restructuring program, additional gains on its partnership investments, gains on equity derivatives, and our share of profit from our GeoVerra joint venture. Consolidated earnings per share from continuing operations, in accordance with IFRS, was $0.16 per share basic and $0.15 per share diluted, compared to $0.11 per share basic and diluted in the same period in 2020.

Altus Analytics revenues increased to $72.4 million, up 40.6% (46.6% on a constant currency basis). Organic revenues were up 17.3% (21.9% on a constant currency basis). The acquisitions of Finance Active, StratoDem Analytics and Reonomy represented 23.2% of the 40.6% revenue growth. Over Time revenues were $59.8 million, up 37.6% (41.0% on a constant currency basis). Adjusted EBITDA was $10.7 million, up 9.0% (19.1% on a constant currency basis).

- The healthy growth in Over Time revenues benefitted from higher sales across all the 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 fourth quarter increased by 109.5% year-over-year to $31.1 million (113.3% on a constant currency basis). Organic growth in Bookings was 86.9% (90.7% on a constant currency basis).

- The transition of AE to cloud subscriptions progressed at a healthy pace throughout the fourth quarter with continued momentum in migrating existing customers from the on-premise product and selling cloud-enabled AE to new customers. As at the end of the fourth quarter, 42% of Company's total AE user base had been contracted on ARGUS Cloud, compared to 14% at the start of the year.

- Adjusted EBITDA improved on higher revenues however was impacted by the purchase price accounting adjustment of $1.7 million to Finance Active and Reonomy's deferred revenues as well as higher investment related to accelerating the Company's data strategy. The purchase price accounting adjustment had a 3.3% impact to revenue growth and a 1.9% impact to Adjusted EBITDA margin.

CRE Consulting revenues increased to $90.6 million, up 2.9% (4.2% on a constant currency basis) and Adjusted EBITDA was $24.2 million, in line with the past year.

- Property Tax revenues were $60.1 million, up 4.5% (6.2% on a constant currency basis) and Adjusted EBITDA was $18.2 million, up 0.6% (2.0% on a constant currency basis). The growth in Canada and the U.S. was offset by a decline in the U.K. which was impacted by a decrease in settlement activity.

- Valuation and Cost Advisory revenues were $30.5 million, down 0.2% (up 0.6% on a constant currency basis) and Adjusted EBITDA was $5.9 million, down 2.3% (down 1.9% on a constant currency basis).

Corporate Costs were $9.0 million, 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.

As at December 31, 2021, bank debt was $287.6 million and cash and cash equivalents was $51.3 million (representing a funded debt to Adjusted EBITDA leverage ratio of 2.47 times, as such ratio is defined in our credit facility agreement, or a net debt to Adjusted EBITDA leverage ratio of 2.17 times).

2022 Outlook Summary

Altus remains strongly positioned to sustain and grow its market leadership position in CRE intelligence-as-a-service solutions. The Company's mission critical solutions are in non-discretionary demand, supported by a highly repeatable and economically insulated revenue base.

At Altus Analytics, reflecting the strength of the business in 2021 and the contributions from the acquisitions made, Altus is well positioned for another strong year to drive sustained double-digit year-over-year revenue growth in 2022, including double-digit Organic and Over Time revenue growth, both on a constant currency basis. Management also expects a double-digit year-over-year improvement in Adjusted EBITDA, on a constant currency basis, which should translate to a year-over-year improvement in Adjusted EBITDA margins for fiscal year 2022. As supported by the acceleration of growth rates and strong Bookings performance, the Company is on track to meet its aspirational long-term goal of achieving revenues of $400 million by the end of 2023.

At CRE Consulting, growth is expected to be driven primarily by the Property Tax business, which is poised for another record revenue year, 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 business development activities, and record annuity billings in the U.K. The Valuation and Cost Advisory practices enjoy significant market share and, as a result, are expected to continue growing modestly with a focus on unlocking operating efficiencies supported by technology.

Q4 & Fiscal Year 2021 Results Conference Call & Webcast

Date:	Thursday, February 24, 2022
Time:	5:00 p.m. (ET)
Webcast:	altusgroup.com (under Investor Relations)
Live Call:	1-800-319-4610 (toll-free North America) or 416-915-3239 (Toronto area)
Replay:	available via webcast at altusgroup.com

About Altus

Altus provides the global commercial real estate 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. For more information about Altus (TSX: AIF) please visit altusgroup.com.

Non-GAAP and Other Measures

Non-GAAP Financial Measures

We use certain non-GAAP measures as indicators of financial performance. Readers are cautioned that they are not defined performance measures, are not generally accepted financial measures nor 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. Refer to the below for a reconciliation of Adjusted EBITDA to profit (loss).

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.

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

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

Constant currency is a non-GAAP financial measure that presents the financial results and non-GAAP measures within this press release 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. We adjust for currency so that our financial and operational performance can be viewed without the impact of fluctuations in foreign currency exchange rates against the Canadian dollar, thereby facilitating period-to-period comparisons of the Company's business performance.

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 (“ACV”) for new sales of our recurring offerings (software, Appraisal Management solutions and data subscriptions) and the total contract value (“TCV”) 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 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 evaluate to assess revenue trends in our business on a comparable basis versus the prior year, and as an indicator of future revenue growth.

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

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

Forward-Looking Information

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

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that we identified and applied in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to: engagement and product pipeline opportunities in Altus Analytics will result in associated definitive agreements; 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. 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 press release, 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 well as those described in our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2020 and Management's Discussion and Analysis for the year ended December 31, 2021 (which are available on SEDAR at www.sedar.com).

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

Certain information in this press release 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 proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

FOR FURTHER INFORMATION PLEASE CONTACT:

Camilla Bartosiewicz
Vice President, Investor Relations, Altus
(416) 641-9773
camilla.bartosiewicz@altusgroup.com

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)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenues	$ 625,387	$ 561,156
Expenses		
Employee compensation	401,455	354,951
Occupancy	7,743	7,591
Office and other operating	123,023	102,193
Depreciation of right-of-use assets	12,119	11,210
Depreciation of property, plant and equipment	5,446	5,620
Amortization of intangibles	29,017	24,784
Acquisition and related transition costs (income)	10,137	(887)
Share of (profit) loss of joint venture	(1,187)	(459)
Restructuring costs (recovery)	15	11,984
(Gain) loss on investments	(2,930)	(21)
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 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	(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	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	$0.62	$0.67
Discontinued operations	$0.00	$(0.14)
Diluted earnings (loss) per share:		
Continuing operations	$0.60	$0.66
Discontinued operations	$0.00	$(0.14)

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

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

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

	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	**12,119**	11,262
Depreciation of property, plant and equipment	**5,446**	5,731
Amortization of intangibles	**29,017**	24,785
Finance costs (income), net - leases	**2,219**	2,559
Finance costs (income), net - other	**4,130**	4,123
Share-based compensation	**23,938**	15,398
Unrealized foreign exchange (gain) loss	**1,104**	165
(Gain) loss on investments	**(2,930)**	(21)
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles	**(248)**	518
(Gain) loss on derivatives	**(10,252)**	(3,991)
Share of (profit) loss of joint venture	**(1,187)**	(459)
Impairment charge - leases	**-**	36
Fair value loss (gain) on net assets directly associated with discontinued operations	**-**	5,163
(Gain) loss on sale of the discontinued operations	**-**	(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	**13,814**	11,988
Proceeds from share issuance, net of transaction costs	**164,771**	-
Financing fees paid	**(414)**	(723)
Proceeds from borrowings	**341,024**	38,135
Repayment of borrowings	**(178,819)**	(53,265)
Payments of principal on lease liabilities	**(12,070)**	(11,960)
Dividends paid	**(21,564)**	(21,859)
Treasury shares purchased for share-based compensation	**(6,312)**	(3,614)
Net cash provided by (used in) financing activities	**300,430**	(41,298)
Cash flows from investing activities		
Purchase of investments	**(4,157)**	(365)
Cash contribution to investment in joint venture	**-**	(3,794)
Purchase of intangibles	**(4,664)**	(770)
Purchase of property, plant and equipment	**(5,965)**	(3,580)
Proceeds from disposal of property, plant and equipment and intangibles	**-**	96
Proceeds from investment	**326**	-
Acquisitions, net of cash acquired	**(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

Reconciliation of Adjusted EBITDA to Profit (Loss)

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

	Year ended December 31,		Quarter ended December 31,	
In thousands of dollars	**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).

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

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

	Year ended December 31,		Quarter ended December 31,	
In thousands of dollars, except for per share amounts	**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 the Non-GAAP and Other Measures section above for the definition of Adjusted EPS.