Altus Group Reports Q2 2024 Financial Results and Quarterly Dividend

Resilient Analytics Recurring Revenue and Sustained Margin Expansion Driving Strong Cash Generation

TORONTO (August 8, 2024) – Altus Group Limited ("Altus" or "the Company") (TSX: AIF), a leading provider of asset and fund intelligence for commercial real estate ("CRE"), announced today its financial and operating results for the second quarter ended June 30, 2024, the approval by its Board of Directors ("Board") of the payment of a cash dividend of $0.15 per common share for the third quarter ending September 30, 2024, and an updated financial outlook for fiscal 2024.

Unless otherwise indicated, all amounts are in Canadian dollars and percentages are on an as reported basis in comparison to Q2 2023.

Q2 2024 Summary

- Consolidated revenues were $206.7 million, up 0.7% (down 0.6% on a Constant Currency* basis).
- Profit (loss) was $2.3 million, compared to $11.9 million.
- Earnings per share ("EPS") were $0.05 basic and diluted, compared to $0.26 basic and diluted.
- Consolidated Adjusted EBITDA* was $36.8 million, down 17.6% (19.2% on a Constant Currency basis).
- Adjusted EPS* was $0.45, compared to $0.53.
- Analytics revenues were $102.8 million, up 3.0% (1.4% on a Constant Currency basis), of which Recurring Revenue* was $95.2 million, up 7.2% (5.5% on a Constant Currency basis), and Adjusted EBITDA was $26.8 million, up 12.9% (10.3% on a Constant Currency basis), driving a 26.1% Adjusted EBITDA margin*.
- Net cash related to operating activities was $39.8 million, up 83.5%, and Free Cash Flow* was $37.5 million, up 96.4%.

**Altus Group uses certain non-GAAP financial measures such as Adjusted Earnings (Loss), and Constant Currency; non-GAAP ratios such as Adjusted EPS; total of segments measures such as Adjusted EBITDA; capital management measures such as Free Cash Flow; and supplementary financial and other measures such as Adjusted EBITDA margin, Net debt to Adjusted EBITDA leverage ratio, New Bookings, Recurring New Bookings, Non-Recurring New Bookings, Organic Revenue, Recurring Revenue, Non-Recurring Revenue, Organic Recurring Revenue, and Cloud Adoption Rate. Refer to the "Non-GAAP and Other Measures" section for more information on each measure and a reconciliation of Adjusted EBITDA and Adjusted Earnings (Loss) to Profit (Loss) and Free Cash Flow to Net cash provided by (used in) operating activities.*

"Our Analytics business continues to deliver resilient and growing Recurring Revenue and margin expansion, despite a challenging market," said Jim Hannon, Chief Executive Officer. "Importantly, our cash generation continues to improve at a higher conversion rate. With upcoming product enhancements launching later this year, the Company remains well positioned to deliver sustained growth in 2024 and beyond."

Summary of Operating and Financial Performance by Reportable Segment:

"CC" in the tables indicates "Constant Currency".

Consolidated								
	Three months ended June 30,				Six months ended June 30,			
In thousands of dollars	2024	2023	% Change	CC % Change	2024	2023	% Change	CC % Change
Revenues	$ 206,705	$ 205,213	0.7%	(0.6%)	$ 406,248	$ 396,037	2.6%	1.8%
Profit (loss)	$ 2,284	$ 11,856	(80.7%)		$ 2,131	$ 9,443	(77.4%)	
Adjusted EBITDA*	$ 36,805	$ 44,695	(17.6%)	(19.2%)	$ 66,557	$ 71,223	(6.6%)	(7.2%)

Consolidated								
Adjusted EBITDA margin*	17.8%	21.8%	(400 bps)	(410 bps)	16.4%	18.0%	(160 bps)	(160 bps)
Net Cash provided by (used in) operating activities	$ 39,809	$ 21,699	83.5%		$ 36,840	$ (9,283)	496.9%	
Free Cash Flow*	$ 37,537	$ 19,110	96.4%		$ 31,853	$ (15,304)	308.1%	

Analytics

	Three months ended June 30,				Six months ended June 30,			
In thousands of dollars	**2024**	2023	% Change	Constant Currency % Change	**2024**	2023	% Change	Constant Currency % Change
Revenues	$ 102,754	$ 99,740	3.0%	1.4%	$ 201,750	$ 194,385	3.8%	2.9%
Adjusted EBITDA	$ 26,841	$ 23,772	12.9%	10.3%	$ 49,928	$ 43,985	13.5%	12.3%
Adjusted EBITDA margin*	26.1%	23.8%	230 bps	210 bps	24.7%	22.6%	210 bps	210 bps
Other Measures								
Recurring Revenue*	$ 95,171	$ 88,785	7.2%	5.5%	$ 186,902	$ 174,109	7.3%	6.5%
New Bookings*	$ 19,551	$ 24,610	(20.6%)	(21.9%)	$ 39,208	$ 46,018	(14.8%)	(15.4%)
Recurring New Bookings*	$ 12,670	$ 18,356	(31.0%)	(32.2%)	$ 28,657	$ 32,420	(11.6%)	(12.1%)
Non-Recurring New Bookings*	$ 6,881	$ 6,254	10.0%	8.3%	$ 10,551	$ 13,598	(22.4%)	(23.2%)
Geographical revenue split								
North America	76%	76%			76%	77%		
International	24%	24%			24%	23%		
Cloud Adoption Rate* (as at end of period)	-	-			76%	70%		

Property Tax

	Three months ended June 30,				Six months ended June 30,			
In thousands of dollars	**2024**	2023	% Change	Constant Currency % Change	**2024**	2023	% Change	Constant Currency % Change
Revenues	$ 76,316	$ 75,121	1.6%	0.0%	$ 150,441	$ 141,805	6.1%	4.8%
Adjusted EBITDA	$ 18,820	$ 28,227	(33.3%)	(34.4%)	$ 37,650	$ 43,298	(13.0%)	(13.8%)
Adjusted EBITDA margin	24.7%	37.6%	(1290 bps)	(1290 bps)	25.0%	30.5%	(550 bps)	(540 bps)

Appraisals and Development Advisory								
	Three months ended June 30,				Six months ended June 30,			
In thousands of dollars	**2024**	2023	% Change	Constant Currency % Change	**2024**	2023	% Change	Constant Currency % Change
Revenues	$ 27,826	$ 30,532	(8.9%)	(8.9%)	$ 54,448	$ 60,244	(9.6%)	(9.3%)
Adjusted EBITDA	$ 2,437	$ 3,339	(27.0%)	(27.1%)	$ 2,317	$ 6,317	(63.3%)	(63.0%)
Adjusted EBITDA margin	8.8%	10.9%	(210 bps)	(220 bps)	4.3%	10.5%	(620 bps)	(620 bps)

Q2 2024 Review

On a consolidated basis, revenues were $206.7 million, up 0.7% (down 0.6% on a Constant Currency basis) and Adjusted EBITDA was $36.8 million, down 17.6% (19.2% on a Constant Currency basis). Adjusted EPS was $0.45, compared to $0.53 in the second quarter of 2023.

Profit (loss) was $2.3 million and $0.05 per share, basic and diluted, compared to $11.9 million and $0.26 per share basic and diluted, in the same period in 2023. Profit (loss) benefitted from higher revenues but was offset by higher employee compensation costs, acquisition and related costs associated with the termination of the REVS acquisition, costs relating to the 2024 global restructuring program, and changes in fair value of the Company's interest rate swaps.

Analytics revenues increased to $102.8 million, up 3.0% (1.4% on a Constant Currency basis). Organic Revenue* growth was 1.6% (0.0% on a Constant Currency basis). Adjusted EBITDA was $26.8 million, up 12.9% (10.3% on a Constant Currency basis), driving an Adjusted EBITDA margin of 26.1%, up 230 basis points (210 basis points on a Constant Currency basis).

- Revenue growth was driven by resilient Recurring Revenue performance benefitting from new sales, a higher number of assets on the Valuation Management Solutions ("VMS") platform, and contribution from Forbury (acquired in December 2023), offset by lower Non-Recurring Revenue* in the quarter compared to the prior year.

- Recurring Revenue was $95.2 million, up 7.2% (5.5% on a Constant Currency basis). Organic Recurring Revenue* was $93.8 million, up 5.6% (4.0% on a Constant Currency Basis) from $88.8 million in the same period in 2023. Sequentially, Recurring Revenue increased by 3.8% from $91.7 million in the first quarter of 2024, driven primarily by seasonality in the VMS business.

- New Bookings totalled $19.6 million, down 20.6% (21.9% on a Constant Currency basis). Recurring New Bookings were $12.7 million, down 31.0% (32.2% on a Constant Currency basis), and Non-Recurring New Bookings were $6.9 million, up 10.0% (8.3% on a Constant Currency basis). New Bookings performance continues to be impacted by the current economic environment.

- Adjusted EBITDA growth and margin expansion benefitted from higher revenues, operating efficiencies, ongoing cost optimization efforts, and foreign exchange fluctuations.

Property Tax revenues were $76.3 million, up 1.6% (0.0% on a Constant Currency basis) and Adjusted EBITDA was $18.8 million, down 33.3% (34.4% on a Constant Currency basis), driving an Adjusted EBITDA margin of 24.7%, down 1290 basis points (1290 basis points on a Constant Currency basis). The growth was driven by

Canada and was offset by an overall decline in the U.K. and the U.S. The annuity billings that commenced for the new U.K. cycle that reset in 2023 contributed $8.3 million in the quarter.

Appraisals and Development Advisory revenues were $27.8 million, down 8.9% (8.9% on a Constant Currency basis) and Adjusted EBITDA was $2.4 million, down 27.0% (27.1% on a Constant Currency basis). Adjusted EBITDA declined primarily from reduction in revenues. The performance reflects muted market activity in the current economic environment as the business segment has some exposure to reduced transaction volumes and higher interest rates, resulting in fewer appraisals and new project starts.

Corporate Costs were $11.3 million, compared to $10.6 million in the same period in 2023. The increase in corporate costs primarily reflects some one-time expenditures related to strategic corporate initiatives.

In early 2024, the Company initiated a global restructuring program as part of an ongoing effort to optimize its operating model. Restructuring costs were $2.6 million in the second quarter, totalling $8.0 million year to date. The restructuring costs primarily related to employee severance impacting the Analytics and Appraisals and Development Advisory business segments as well as corporate functions.

Free Cash Flow was $37.5 million, and Net cash related to operating activities was $39.8 million, both were up 96.4% and 83.5%, respectively. On a year-over-year view, the second quarter in the prior year was impacted by the anticipated delayed billings from the enterprise resource planning system implementation. However, Free Cash Flow in the second quarter of 2024 was higher than the second quarter of 2022 ($25.8 million) which represents a better comparative period and reflects the Company's continued focus on cash generation.

As at June 30, 2024, bank debt was $306.4 million and cash and cash equivalents were $49.5 million (representing a Funded debt to EBITDA ratio as defined in the Company's credit facility agreement of 2.11 times, or a Net debt to Adjusted EBITDA leverage ratio of 1.97 times).

Q3 2024 Dividend

Altus Group's Board approved the payment of a cash dividend of $0.15 per common share for the third quarter ending September 30, 2024, with payment to be made on October 15, 2024 to common shareholders of record as at September 30, 2024.

Altus Group's Dividend Reinvestment Plan ("DRIP") permits eligible shareholders to direct their cash dividends to be reinvested in additional common shares of the Company. For shareholders who wish to reinvest their dividends under the DRIP, Altus Group intends to issue common shares from treasury at a price equal to 96% of the weighted average closing price of the shares for the five trading days preceding the dividend payment date. Full details of the DRIP program are available on the Company website.

Altus Group confirms that all dividends paid or deemed to be paid to its common shareholders qualify as "eligible dividends" for purposes of subsection 89(14) of the *Income Tax Act* (Canada) and similar provincial and territorial legislation, unless indicated otherwise.

2024 Business Outlook

With the planned divestiture of the Property Tax business, Altus Group is withdrawing its guidance for the Property Tax segment and refined its 2024 business outlook at the mid-year mark to reflect current market expectations of a slower than originally anticipated market recovery in the second half of 2024. The business outlook for continuing operations in fiscal 2024 by reportable segment is as follows:

Business segment:	*FY 2024 outlook (on a Constant Currency basis)*
Analytics	• 6 – 9% Recurring Revenue growth *(updated from 8 – 12%)* • 400 – 500 bps of Adjusted EBITDA margin expansion *(unchanged)*
Appraisals & Development Advisory	• Low single digit revenue decline *(updated from low single digit growth)* • Single digit Adjusted EBITDA growth *(updated from double digit growth)*
Consolidated *(excluding Property Tax)* *Unchanged from February 2024 outlook*	• Single digit revenue growth • Double digit Adjusted EBITDA growth • Adjusted EBITDA margin improvement over 2023

"As expressed by some of our largest clients, we expected CRE macro pressures to begin easing by the second half of the year, with lower interest rates and improving credit conditions as catalysts for increased market activity," added Pawan Chhabra, Chief Financial Officer. "However, with the US Fed holding off on interest rate cuts longer than anticipated, CRE market activity has not resumed at the levels originally expected. Clients have noted that the ongoing easing of inflation and growing expectations of upcoming Fed rate cuts are increasing their willingness to invest in CRE assets ahead of the anticipated boost in market activity. While we remain cautiously optimistic about a stronger selling environment in the second half of 2024 and into 2025, we believe it is prudent to adjust our full year outlook to reflect a slower recovery in the second half of 2024.

The operating and product enhancements we've been driving leave us strongly positioned for the future. We remain confident in our ability to accelerate growth at Analytics to achieve double-digit revenue growth and ~35% Adjusted EBITDA margin in fiscal 2026."

Forecasting future results or trends is inherently difficult for any business and actual results or trends may vary significantly. The discussion of the Company's expectations relating to the business outlook in this section is forward-looking information that is based upon the assumptions and subject to the material risks discussed under the heading "Forward-Looking Information" beginning on page 1 of the Q2 2024 MD&A.

Key assumptions for the business outlook by segment for fiscal 2024 and Analytics fiscal 2026: <u>Analytics</u>: consistency and growth in number of assets on the Valuation Management Solutions platform, continued ARGUS cloud conversions, new sales (including New Bookings converting to revenue within Management's expected timeline), client and software retention consistent with 2023 levels, pricing action, the successful integration of Forbury, improved operating leverage, as well as consistent and increasingly stable economic conditions in financial and CRE markets. <u>Appraisal & Development Advisory</u>: improved client profitability and improved operating leverage. The Consolidated outlook assumes that the Property Tax business moves to discontinued operations in 2024, and that corporate costs in the second half of 2024 will be nominally higher than the first half of 2024.

Q2 2024 Results Conference Call & Webcast

Date:	Thursday, August 8, 2024
Time:	5:00 p.m. (ET)
Webcast:	https://events.q4inc.com/attendee/948580796
Live Call:	1-888-660-6785 (toll-free) (Conference ID: 8366990)
Replay:	https://www.altusgroup.com/investor-relations/

About Altus Group

Altus Group is a leading provider of asset and fund intelligence for commercial real estate. We deliver intelligence as a service to our global client base through a connected platform of industry-leading technology, advanced analytics, and advisory services. Trusted by the largest CRE leaders, our capabilities help commercial real estate investors, developers, proprietors, lenders, and advisors manage risks and improve performance returns throughout the asset and fund lifecycle. Altus Group is a global company headquartered in Toronto with approximately 2,900 employees across North America, EMEA and Asia Pacific. For more information about Altus (TSX: AIF) please visit www.altusgroup.com.

Non-GAAP and Other Measures

Altus Group uses certain non-GAAP financial measures, non-GAAP ratios, total of segments measures, capital management measures, and supplementary and other financial measures as defined in National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-112"). Management believes that these measures may assist investors in assessing an investment in the Company's shares as they provide additional insight into the Company's performance. Readers are cautioned that they are not defined performance measures, and do not have any standardized meaning under IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to financial measures as reported by those entities. These measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS.

Adjusted Earnings (Loss): Altus Group uses Adjusted Earnings (Loss) to facilitate the calculation of Adjusted EPS. How it's calculated: Profit (loss) added or (deducted) by: profit (loss) from discontinued operations; occupancy costs calculated on a similar basis prior to the adoption of IFRS 16; depreciation of right-of-use assets; amortization of intangibles of acquired businesses; acquisition and related transition costs (income); unrealized foreign exchange losses (gains); (gains) losses on disposal of right-of-use assets, property, plant and equipment and intangibles; share of (profit) loss of joint venture; non-cash share-based compensation costs; (gains) losses on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs; (gains) losses on derivatives; interest accretion on contingent consideration payables; restructuring costs (recovery); impairment charges; (gains) losses on investments; (gains) losses on hedging transactions and interest expense (income) on swaps; other costs or income of a non-operating and/or non-recurring nature; finance costs (income), net - leases; and the tax impact of these items.

Constant Currency: Altus Group uses Constant Currency to allow current financial and operational performance to be understood against comparative periods without the impact of fluctuations in foreign currency exchange rates against the Canadian dollar. How it's calculated: The financial results and non-GAAP and other measures presented at Constant Currency within this document are obtained by translating monthly results denominated in local currency (U.S. dollars, British pound, Euro, Australian dollars, and other foreign currencies) to Canadian dollars at the foreign exchange rates of the comparable month in the previous year.

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

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"): Altus Group uses Adjusted EBITDA to evaluate the performance of the business, as well as when making decisions about the ongoing operations of the business and the Company's ability to generate cash flows. This measure represents Adjusted EBITDA determined on a consolidated entity-basis as a total of the various segments. All other Adjusted EBITDA references are disclosed in the financial statements and are not considered to be non-GAAP financial measures pursuant to NI 52-112. How it's calculated: Profit (loss) added or (deducted) by: profit (loss) from discontinued operations; occupancy costs calculated on a similar basis prior to the adoption of IFRS 16; depreciation of right-of-use assets; depreciation of property, plant and equipment and amortization of intangibles; acquisition and related transition costs (income); unrealized foreign exchange (gains) losses; (gains) losses on disposal of right-of-use assets, property, plant and equipment and intangibles; share of (profit) loss of joint venture; non-cash share-based compensation costs; (gains) losses on equity derivatives net of mark-to market adjustments on related restricted share units ("RSUs") and deferred share units ("DSUs"); (gains) losses on derivatives, restructuring costs (recovery); impairment charges; (gains) losses on investments; other costs or income of a non-operating and/or non-recurring nature; finance costs (income), net - leases; finance costs (income), net - other; and income tax expense (recovery).

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

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

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

New Bookings, Recurring New Bookings and Non-Recurring New Bookings: For its Analytics reportable segment, Altus Group uses New Bookings, Recurring New Bookings and Non-Recurring New Bookings as measures to track the performance and success of sales initiatives, and as an indicator of future revenue growth. New Bookings is inclusive of any new signed contracts as well as any additional solutions and services added by existing customers within the Analytics reportable segment. The contract value of renewals is excluded from this metric with the exception of additional capacity or products purchased at the time of renewal. How it's calculated: *New Bookings:* The total of annual contract values for new sales of the Company's recurring solutions and services (software subscriptions, Valuation Management Solutions and data subscriptions) plus the total of contract values for one-time engagements (consulting, training, and due diligence). *Recurring New Bookings*: The total of annual contract values for new sales of the recurring solutions and services. *Non-Recurring New Bookings*: The total of contract values for one-time engagements.

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

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

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

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 the Company's business, strategies and expectations of future performance, including any guidance on financial expectations, and its 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", "anticipate", "estimate", "intend", "plan", "would", "could", "should", "continue", "goal", "objective", "remain" and other similar terminology.
Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may not be known and may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that we identified and applied in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to: engagement and product pipeline opportunities in Analytics will result in associated definitive agreements; continued adoption of cloud subscriptions by the Company's customers; retention of material clients and bookings; sustaining the Company's software and subscription renewals; settlement volumes in the Property Tax reportable segment occurring on a timely basis and assessment authorities processing appeals in a manner consistent with expectations; successful execution of the Company's business strategies; consistent and stable economic conditions or conditions in the financial markets including stable interest rates and credit availability for commercial real estate; consistent and stable legislation in the various countries in which we operate; consistent and stable foreign exchange conditions; no disruptive changes in the technology environment; opportunity to acquire accretive businesses and the absence of negative financial and other impacts resulting from strategic investments or acquisitions on short term results; successful integration of acquired businesses; and continued availability of qualified professionals.

Inherent in the forward-looking information are known and unknown risks, uncertainties and other factors that could cause the Company's actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking information. Those risks include, but are not limited to: the commercial real estate market; the general state of the economy; the Company's financial performance; the Company's financial targets; the Company's international operations; acquisitions; business interruption events; third party information and data; cybersecurity; industry competition; professional talent; the Company's subscription renewals; the Company's sales pipeline; client concentration and loss of material clients; the Company's cloud transition; product enhancements and new product introductions; technological strategy; intellectual property; property tax appeals and seasonality; compliance with laws and regulations; privacy and data protection; artificial intelligence; the Company's use of technology; the Company's leverage and financial covenants; interest rates; inflation; the Company's brand and reputation; fixed price and contingency engagements;

currency fluctuations; credit; tax matters; health and safety hazards; the Company's contractual obligations; legal proceedings; regulatory review; the Company's insurance limits; the Company's ability to meet the solvency requirements necessary to make dividend payments; the Company's share price; the Company's capital investments; the issuance of additional common shares and debt; the Company's internal and disclosure controls; environmental, social and governance matters; climate risk; and geopolitical risks, as well as those described in the Company's annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2023 (which are available on SEDAR+ at www.sedarplus.ca).

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 The Company has 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, the Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, the Company's financial or operating results, or the Company's securities.

Certain information in this press release, including references to "business outlook", may be considered as "financial outlook" within the meaning of applicable securities legislation. The purpose of this financial outlook is to provide readers with disclosure regarding Altus Group's reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
For the Three and Six Months Ended June 30, 2024 and 2023
(Unaudited)
(Expressed in Thousands of Canadian Dollars, Except for Per Share Amounts)

	Three months ended June 30		Six months ended June 30	
	2024	**2023**	**2024**	**2023**
Revenues	**$ 206,705**	$ 205,213	**$ 406,248**	$ 396,037
Expenses				
Employee compensation	**125,504**	121,878	**252,445**	245,432
Occupancy	**2,058**	1,970	**4,023**	4,008
Other operating	**47,331**	45,881	**88,746**	91,802
Depreciation of right-of-use assets	**2,904**	2,871	**5,677**	5,782
Depreciation of property, plant and equipment	**1,114**	1,733	**2,534**	3,083
Amortization of intangibles	**10,109**	10,152	**20,423**	21,263
Acquisition and related transition costs (income)	**5,340**	(153)	**8,898**	24
Share of (profit) loss of joint venture	**(664)**	(634)	**(506)**	(1,140)
Restructuring costs (recovery)	**2,618**	(757)	**8,005**	56
(Gain) loss on investments	**55**	87	**241**	(326)
Finance costs (income), net – leases	**299**	307	**578**	678
Finance costs (income), net – other	**4,542**	1,130	**8,674**	7,504
Profit (loss) before income taxes	**5,495**	20,748	**6,510**	17,871
Income tax expense (recovery)	**3,211**	8,892	**4,379**	8,428
Profit (loss) for the period	**$ 2,284**	$ 11,856	**$ 2,131**	$ 9,443
Other comprehensive income (loss):				
Items that may be reclassified to profit or loss in subsequent periods:				
Currency translation differences	**4,444**	(7,894)	**9,943**	(4,513)
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	**(556)**	(69)	**(556)**	577
Other comprehensive income (loss), net of tax	**3,888**	(7,963)	**9,387**	(3,936)
Total comprehensive income (loss) for the period, net of tax	**$ 6,172**	$ 3,893	**$ 11,518**	$ 5,507
Earnings (loss) per share attributable to the shareholders of the Company during the period				
Basic earnings (loss) per share	**$0.05**	$0.26	**$0.05**	$0.21
Diluted earnings (loss) per share	**$0.05**	$0.26	**$0.05**	$0.21

Interim Condensed Consolidated Balance Sheets
As at June 30, 2024 and December 31, 2023
(Unaudited)

(Expressed in Thousands of Canadian Dollars)

	June 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	**$ 49,472**	$ 41,892
Trade receivables and other	**252,401**	250,462
Income taxes recoverable	**6,483**	9,532
Derivative financial instruments	**7,019**	677
Total current assets	**315,375**	302,563
Non-current assets		
Trade receivables and other	**10,514**	10,511
Derivative financial instruments	**8,037**	8,134
Investments	**14,187**	14,509
Investment in joint venture	**23,161**	22,655
Deferred tax assets	**33,067**	30,650
Right-of-use assets	**25,103**	25,282
Property, plant and equipment	**17,372**	19,768
Intangibles	**259,247**	270,641
Goodwill	**519,165**	509,980
Total non-current assets	**909,853**	912,130
Total assets	**$ 1,225,228**	$ 1,214,693
Liabilities		
Current liabilities		
Trade payables and other	**$ 205,719**	$ 199,220
Income taxes payable	**4,019**	4,710
Lease liabilities	**13,624**	14,346
Total current liabilities	**223,362**	218,276
Non-current liabilities		
Trade payables and other	**19,608**	22,530
Lease liabilities	**33,036**	33,755
Borrowings	**305,323**	307,451
Deferred tax liabilities	**27,817**	30,144
Total non-current liabilities	**385,784**	393,880
Total liabilities	**609,146**	612,156
Shareholders' equity		
Share capital	**791,901**	769,296
Contributed surplus	**43,403**	50,143
Accumulated other comprehensive income (loss)	**51,821**	42,434
Retained earnings (deficit)	**(271,043)**	(259,336)
Total shareholders' equity	**616,082**	602,537
Total liabilities and shareholders' equity	**$ 1,225,228**	$ 1,214,693

Interim Condensed Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2024 and 2023
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Six months ended June 30	
	2024	**2023**
Cash flows from operating activities		
Profit (loss) before income taxes	**$ 6,510**	$ 17,871
Adjustments for:		
Depreciation of right-of-use assets	**5,677**	5,782
Depreciation of property, plant and equipment	**2,534**	3,083
Amortization of intangibles	**20,423**	21,263
Finance costs (income), net - leases	**578**	678
Finance costs (income), net - other	**8,674**	7,504
Share-based compensation	**11,430**	12,961
Unrealized foreign exchange (gain) loss	**(1,866)**	826
(Gain) loss on investments	**241**	(326)
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles	**2,042**	12
(Gain) loss on equity derivatives	**(5,119)**	7,261
Share of (profit) loss of joint venture	**(506)**	(1,140)
Impairment of right-of-use assets, net of (gain) loss on sub-leases	**(322)**	(611)
Net changes in:		
Operating working capital	**(2,114)**	(64,143)
Liabilities for cash-settled share-based compensation	**5,501**	(4,083)
Deferred consideration payables	**(1,674)**	(1,706)
Net cash generated by (used in) operations	**52,009**	5,232
Less: interest paid on borrowings	**(9,659)**	(10,039)
Less: interest paid on leases	**(578)**	(678)
Less: income taxes paid	**(5,149)**	(3,798)
Add: income taxes refunded	**217**	-
Net cash provided by (used in) operating activities	**36,840**	(9,283)
Cash flows from financing activities		
Proceeds from exercise of options	**6,455**	8,022
Financing fees paid	**(50)**	(5)
Proceeds from borrowings	**20,000**	48,154
Repayment of borrowings	**(27,184)**	(31,233)
Payments of principal on lease liabilities	**(7,853)**	(7,142)
Proceeds from right-of-use asset lease inducements	**-**	525
Dividends paid	**(12,254)**	(13,167)
Treasury shares purchased for share-based compensation	**(3,563)**	(4,715)
Cancellation of shares	**-**	(17)
Net cash provided by (used in) financing activities	**(24,449)**	422
Cash flows from investing activities		
Purchase of investments	**(282)**	(152)
Purchase of intangibles	**(4,562)**	(3,348)
Purchase of property, plant and equipment	**(425)**	(2,673)
Proceeds from investments	**2**	28
Proceeds from disposal of investments	**-**	3,471
Net cash provided by (used in) investing activities	**(5,267)**	(2,674)
Effect of foreign currency translation	**456**	(657)
Net increase (decrease) in cash and cash equivalents	**7,580**	(12,192)
Cash and cash equivalents, beginning of period	**41,892**	55,267
Cash and cash equivalents, end of period	**$ 49,472**	$ 43,075

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

The following table provides a reconciliation of Profit (Loss) to Adjusted EBITDA and Adjusted Earnings (Loss):

	Three months ended June 30,		Six months ended June 30,	
In thousands of dollars, except for per share amounts	**2024**	2023	**2024**	2023
Profit (loss) for the period	$ 2,284	$ 11,856	$ 2,131	$ 9,443
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 [(1)]	(3,421)	(2,979)	(6,502)	(5,981)
Depreciation of right-of-use assets	2,904	2,871	5,677	5,782
Depreciation of property, plant and equipment and amortization of intangibles [(7)]	11,223	11,885	22,957	24,346
Acquisition and related transition costs (income)	5,340	(153)	8,898	24
Unrealized foreign exchange (gain) loss [(2)]	(540)	391	(1,866)	826
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles [(2)]	1,059	14	2,042	12
Share of (profit) loss of joint venture	(664)	(634)	(506)	(1,140)
Non-cash share-based compensation costs [(3)]	4,711	4,904	9,140	10,737
(Gain) loss on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs [(3)]	96	4,243	(1,647)	3,671
Restructuring costs (recovery)	2,618	(757)	8,005	56
(Gain) loss on investments [(4)]	55	87	241	(326)
Other non-operating and/or non-recurring (income) costs [(5)]	3,088	2,638	4,356	7,163
Finance costs (income), net - leases	299	307	578	678
Finance costs (income), net - other [(8)]	4,542	1,130	8,674	7,504
Income tax expense (recovery) [(9)]	3,211	8,892	4,379	8,428
Adjusted EBITDA	$ 36,805	$ 44,695	$ 66,557	$ 71,223
Depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses [(7)]	(2,665)	(3,799)	(5,571)	(6,789)
Finance (costs) income, net - other [(8)]	(4,542)	(1,130)	(8,674)	(7,504)
(Gain) loss on hedging transactions, including currency forward contracts and interest expense (income) on swaps [(8)]	(78)	(4,172)	(975)	(2,964)
Tax effect of adjusted earnings (loss) adjustments [(9)]	(8,690)	(11,397)	(15,320)	(14,611)
Adjusted earnings (loss)*	$ 20,830	$ 24,197	$ 36,017	$ 39,355
Weighted average number of shares - basic	45,782,032	45,361,155	45,657,634	45,187,697
Weighted average number of restricted shares	331,672	486,009	375,090	524,125
Weighted average number of shares - adjusted	46,113,704	45,847,164	46,032,724	45,711,822
Adjusted earnings (loss) per share [(6)]	$0.45	$0.53	$0.78	$0.86

(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 and six months ended June 30, 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).
(6) Refer to page 4 of the MD&A for the definition of Adjusted EPS.
(7) For the purposes of reconciling to Adjusted Earnings (Loss), the amortization of intangibles of acquired businesses is adjusted from Profit (loss) for the period. Per the quantitative reconciliation above, we have added back depreciation of property, plant and equipment and

amortization of intangibles and then deducted the depreciation of property, plant and equipment and amortization of intangibles of non-acquired businesses to arrive at the amortization of intangibles of acquired businesses.

[8] For the purposes of reconciling to Adjusted Earnings (Loss), the interest accretion on contingent consideration payables and (gains) losses on hedging transactions and interest expense (income) on swaps is adjusted from Profit (loss) for the period. Per the quantitative reconciliation above, we have added back finance costs (income), net – other and then deducted finance costs (income), net – other prior to adjusting for interest accretion on contingent consideration payables and (gains) losses on hedging transactions and interest expense (income) on swaps.

[9] For the purposes of reconciling to Adjusted Earnings (Loss), only the tax impacts for the reconciling items noted in the definition of Adjusted Earnings (Loss) is adjusted from Profit (loss) for the period.

Reconciliation of Free Cash Flow

The Company proactively manages and optimizes Free Cash Flow available for reinvestment in the business. Free Cash Flow is reconciled as follows:

In thousands of dollars	**2024**	2023	**2024**	2023
Net cash provided by (used in) operating activities	$ 39,809	$ 21,699	$ 36,840	$ (9,283)
Less: Capital Expenditures	(2,272)	(2,589)	(4,987)	(6,021)
Free Cash Flow	$ 37,537	$ 19,110	$ 31,853	$ (15,304)

Constant Currency

The following tables provide a summarization of the foreign exchange rates used as presented based on the average monthly rates, and the foreign exchange rates used for Constant Currency for currencies in which the Company primarily transacts in:

	Three months ended June 30, 2024		**Six months ended June 30, 2024**	
	As presented	For Constant Currency	As presented	For Constant Currency
Canadian Dollar	1.000	1.000	1.000	1.000
United States Dollar	1.368	1.343	1.358	1.347
Pound Sterling	1.726	1.681	1.718	1.661
Euro	1.472	1.462	1.468	1.456
Australian Dollar	0.902	0.897	0.894	0.911

	Three months ended June 30, 2023		**Six months ended June 30, 2023**	
	As presented	For Constant Currency	As presented	For Constant Currency
Canadian Dollar	1.000	1.000	1.000	1.000
United States Dollar	1.343	1.276	1.347	1.271
Pound Sterling	1.681	1.604	1.661	1.652
Euro	1.462	1.359	1.456	1.390
Australian Dollar	0.897	0.912	0.911	0.914