Altus Group

Financial Statements

Q2 2024

For the six months ended June 30, 2024

Interim Condensed Consolidated Financial Statements
June 30, 2024 and 2023
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

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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	
	Notes	2024	2023	2024	2023
Revenues	5	**$ 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)	10	**2,618**	(757)	**8,005**	56
(Gain) loss on investments		**55**	87	**241**	(326)
Finance costs (income), net – leases	6	**299**	307	**578**	678
Finance costs (income), net – other	6	**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)	7	**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	9	**(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	14	**$0.05**	$0.26	**$0.05**	$0.21
Diluted earnings (loss) per share	14	**$0.05**	$0.26	**$0.05**	$0.21

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

Interim Condensed Consolidated Balance Sheets
As at June 30, 2024 and December 31, 2023
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Notes	June 30, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		**$ 49,472**	$ 41,892
Trade receivables and other	8	**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	8	**10,514**	10,511
Derivative financial instruments		**8,037**	8,134
Investments	9	**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	10	**$ 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	10	**19,608**	22,530
Lease liabilities		**33,036**	33,755
Borrowings	11	**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	12	**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

The accompanying notes are an integral part of these interim condensed consolidated financial statements.
Commitments and Contingencies (Note 17)
Events After the Reporting Period (Note 18)

Interim Condensed Consolidated Statements of Changes in Equity
For the Six Months Ended June 30, 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		-	-	-	9,443	9,443
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	(4,513)	-	(4,513)
Changes in investments measured at fair value through other comprehensive income		-	-	577	-	577
Total comprehensive income (loss) for the period		-	-	(3,936)	9,443	5,507
Transfer of gain on disposal of FVOCI investments		-	-	(1,532)	1,532	-
Transactions with owners:						
Dividends declared		-	-	-	(13,763)	(13,763)
Share-based compensation		-	12,961	-	-	12,961
Dividend Reinvestment Plan		528	-	-	-	528
Shares issued on exercise of options		9,450	(1,428)	-	-	8,022
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		9,666	(9,296)	-	-	370
Cancellation of shares		(17)	-	-	-	(17)
Total		19,473	(2,694)	(1,532)	(12,231)	3,016
As at June 30, 2023		$ 767,141	$ 45,914	$ 41,697	$ (246,359)	$ 608,393
As at January 1, 2024		$ 769,296	$ 50,143	$ 42,434	$ (259,336)	$ 602,537
Profit (loss) for the period		-	-	-	2,131	2,131
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	9,943	-	9,943
Changes in investments measured at fair value through other comprehensive income		-	-	(556)	-	(556)
Total comprehensive income (loss) for the period		-	-	9,387	2,131	11,518
Transactions with owners:						
Dividends declared	15	-	-	-	(13,838)	(13,838)
Share-based compensation	13	-	11,430	-	-	11,430
Dividend Reinvestment Plan	12	1,543	-	-	-	1,543
Shares issued on exercise of options	12, 13	7,634	(1,179)	-	-	6,455
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	12,377	(12,276)	-	-	101
Gain (loss) on sale of RSs and shares held in escrow		-	(48)	-	-	(48)
Total		22,605	(6,740)	-	(13,838)	2,027
As at June 30, 2024		**$ 791,901**	**$ 43,403**	**$ 51,821**	**$ (271,043)**	**$ 616,082**

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

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

	Notes	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	6	**578**	678
Finance costs (income), net – other	6	**8,674**	7,504
Share-based compensation	13	**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	12, 13	**6,455**	8,022
Financing fees paid		**(50)**	(5)
Proceeds from borrowings	11	**20,000**	48,154
Repayment of borrowings	11	**(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	15	**(12,254)**	(13,167)
Treasury shares purchased for share-based compensation	12, 13	**(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	9	**(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

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 2,900 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 June 30, 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 August 8, 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

Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*, relating to the classification and measurement requirements of financial instruments recognized within those standards. These amendments:

- clarify that a financial liability is to be derecognized on the 'settlement date' and introduces an accounting policy to derecognize financial liabilities settled through an electronic payment system before settlement date if certain conditions are met;
- clarify how to assess the contractual cash flow characteristics of financial assets that include 'environmental, social and governance' - linked features and other similar contingent features;
- clarify the treatment of non-recourse assets and contractually linked instruments; and
- require additional disclosures for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

These amendments will be effective for annual periods beginning on or after January 1, 2026 and will be applied retrospectively with an adjustment to opening retained earnings. Prior periods will not be required to be restated and can only be restated without using hindsight. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures, and can apply other amendments subsequently. The Company does not expect material impacts from these amendments on its interim financial statements.

Issuance of IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, *Presentation in Financial Statements*. The issuance introduces new categories and subtotals in the statements of comprehensive income (loss), requires disclosure of management-defined performance measures, and includes new requirements for the location, aggregation and disaggregation of financial information. The new standard will:

- require the classification of all income and expenses within the statements of comprehensive income (loss) into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, entities will be required to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and incomes taxes' and 'profit or loss';
- introduce the concept of a management-defined performance measure ("MPM") which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity. The standard will require the disclosure of information about all of an entity's MPMs, including how the measure is calculated and reconciled to the most comparable subtotal specified by IFRS; and
- introduce a principle for determining the location of information based on identified 'roles' of the primary financial statements and the notes as well as require aggregation and disaggregation of information with reference to similar and dissimilar characteristics.

IFRS 18 will be effective for annual periods beginning on or after January 1, 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed. The Company is in the process of evaluating the impact of this standard on its interim financial statements.

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 June 30		Six months ended June 30	
	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	**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	**4,542**	1,130	**8,674**	7,504
Income tax expense (recovery)	**3,211**	8,892	**4,379**	8,428
Adjusted EBITDA	**$ 36,805**	$ 44,695	**$ 66,557**	$ 71,223

(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).

5. Segmented Information, cont'd

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

Segment Revenues and Expenditures

						Three months ended June 30, 2024
	Analytics	Commercial Real Estate Consulting		Corporate [(1)]	Eliminations	**Total**
		Property Tax	Appraisals and Development Advisory			
Revenues from external customers	$ 102,563	$ 76,316	$ 27,826	$ -	$ -	**$ 206,705**
Inter-segment revenues	191	-	-	-	(191)	**-**
Total segment revenues	102,754	76,316	27,826	-	(191)	**206,705**
Adjusted EBITDA	26,841	18,820	2,437	(11,293)	-	**36,805**
Depreciation of right-of-use assets	1,503	710	639	52	-	**2,904**
Depreciation of property, plant and equipment and amortization of intangibles	7,682	2,361	486	694	-	**11,223**
Finance costs (income), net – leases	74	102	112	11	-	**299**
Finance costs (income), net – other	-	-	-	4,542	-	**4,542**
Income tax expense (recovery)	-	-	-	3,211	-	**3,211**

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

						Three months ended June 30, 2023
	Analytics	Commercial Real Estate Consulting		Corporate [(1)]	Eliminations	**Total**
		Property Tax	Appraisals and Development Advisory			
Revenues from external customers	$ 99,560	$ 75,121	$ 30,532	$ -	$ -	$ 205,213
Inter-segment revenues	180	-	-	-	(180)	-
Total segment revenues	99,740	75,121	30,532	-	(180)	205,213
Adjusted EBITDA	23,772	28,227	3,339	(10,643)	-	44,695
Depreciation of right-of-use assets	1,405	836	577	53	-	2,871
Depreciation of property, plant and equipment and amortization of intangibles	7,487	2,415	393	1,590	-	11,885
Finance costs (income), net – leases	112	115	74	6	-	307
Finance costs (income), net – other	-	-	-	1,130	-	1,130
Income tax expense (recovery)	-	-	-	8,892	-	8,892

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

5. Segmented Information, cont'd

						Six months ended June 30, 2024
	Analytics	Commercial Real Estate Consulting		Corporate [(1)]	Eliminations	**Total**
		Property Tax	Appraisals and Development Advisory			
Revenues from external customers	$ 201,359	$ 150,441	$ 54,448	$ -	$ -	**$ 406,248**
Inter-segment revenues	391	-	-	-	(391)	**-**
Total segment revenues	201,750	150,441	54,448	-	(391)	**406,248**
Adjusted EBITDA	49,928	37,650	2,317	(23,338)	-	**66,557**
Depreciation of right-of-use assets	2,867	1,423	1,283	104	-	**5,677**
Depreciation of property, plant and equipment and amortization of intangibles	15,584	4,733	800	1,840	-	**22,957**
Finance costs (income), net – leases	238	217	218	(95)	-	**578**
Finance costs (income), net – other	-	-	-	8,674	-	**8,674**
Income tax expense (recovery)	-	-	-	4,379	-	**4,379**

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

						Six months ended June 30, 2023
	Analytics	Commercial Real Estate Consulting		Corporate [(1)]	Eliminations	**Total**
		Property Tax	Appraisals and Development Advisory			
Revenues from external customers	$ 193,988	$ 141,805	$ 60,244	$ -	$ -	$ 396,037
Inter-segment revenues	397	-	-	-	(397)	-
Total segment revenues	194,385	141,805	60,244	-	(397)	396,037
Adjusted EBITDA	43,985	43,298	6,317	(22,377)	-	71,223
Depreciation of right-of-use assets	2,794	1,727	1,161	100	-	5,782
Depreciation of property, plant and equipment and amortization of intangibles	15,992	4,603	768	2,983	-	24,346
Finance costs (income), net – leases	248	232	174	24	-	678
Finance costs (income), net – other	-	-	-	7,504	-	7,504
Income tax expense (recovery)	-	-	-	8,428	-	8,428

(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 June 30		Six months ended June 30	
	2024	**2023**	**2024**	**2023**
Interest on bank credit facilities	**$ 4,913**	$ 5,286	**$ 9,841**	$ 10,418
Interest on lease liabilities	**299**	307	**578**	678
Interest – other	**40**	58	**252**	131
Change in fair value of interest rate swaps	**(78)**	(4,172)	**(975)**	(2,964)
Finance costs	**5,174**	1,479	**9,696**	8,263
Finance income	**(333)**	(42)	**(444)**	(81)
Finance costs (income), net	**$ 4,841**	$ 1,437	**$ 9,252**	$ 8,182

7. Income Taxes

	Three months ended June 30		Six months ended June 30	
	2024	**2023**	**2024**	**2023**
Income tax expense (recovery)				
Current	**$ 5,888**	$ 8,797	**$ 8,134**	$ 8,072
Deferred	**(2,677)**	95	**(3,755)**	356
Income tax expense (recovery)	**$ 3,211**	$ 8,892	**$ 4,379**	$ 8,428

8. Trade Receivables and Other

	June 30, 2024	**December 31, 2023**
Trade receivables	**$ 165,523**	$ 172,342
Less: loss allowance provision	**(17,868)**	(18,120)
Trade receivables, net	**147,655**	154,222
Contract assets: unbilled revenue on customer contracts (1)	**70,977**	63,413
Deferred costs to obtain customer contracts	**5,135**	4,934
Prepayments	**27,175**	27,839
Net investment in sub-leases	**9,954**	9,764
Other receivables	**2,019**	801
Total trade receivables and other	**262,915**	260,973
Less: non-current portion	**(10,514)**	(10,511)
Trade receivables and other – current	**$ 252,401**	$ 250,462

(1) As at June 30, 2024, contract assets are stated net of expected credit losses of $853 (December 31, 2023 – $1,117).

For the three and six months ended June 30, 2024, amortization associated with deferred costs to obtain customer contracts of $1,904 and $3,384, respectively, was expensed to the interim condensed consolidated statements of comprehensive income (loss) (2023 – $1,336 and $2,173, respectively). For the three and six months ended June 30, 2024 and 2023, no impairment losses on deferred costs were recognized.

9. Investments

	June 30, 2024	December 31, 2023
Investments in equity instruments	$ 6,076	$ 6,675
Investments in partnerships	8,111	7,834
Investments	$ 14,187	$ 14,509

10. Trade Payables and Other

	June 30, 2024	December 31, 2023
Trade payables	$ 18,412	$ 17,541
Accrued expenses	110,111	114,475
Contract liabilities: deferred revenue	82,572	72,574
Deferred consideration payables	-	1,674
Contingent consideration payables	200	200
Dividends payable (Note 15)	6,922	6,881
Provisions	7,110	8,405
Total trade payables and other	225,327	221,750
Less non-current portion:		
Accrued expenses	19,191	20,895
Provisions	417	1,635
Trade payables and other – non-current	19,608	22,530
Trade payables and other – current	$ 205,719	$ 199,220

Provisions

	Restructuring	Other	Total
Balance as at January 1, 2024	$ 8,209	$ 196	$ 8,405
Additional provisions, net of releases	8,326	2	8,328
Used during the period	(9,304)	-	(9,304)
Exchange differences	(321)	2	(319)
Balance as at June 30, 2024	6,910	200	7,110
Less: non-current portion	(226)	(191)	(417)
Provisions – current	$ 6,684	$ 9	$ 6,693

Beginning the first quarter of 2024, the Company initiated a global restructuring program which resulted in restructuring costs of $2,951 and $8,326 for the three and six months ended June 30, 2024, respectively, primarily related to employee severance costs. During the three and six months ended June 30, 2024, in connection with previously completed global restructuring programs, the Company incurred adjustments to existing estimated restructuring costs of $(333) and $(321), respectively, related to gains on sub-leases.

11. Borrowings

	June 30, 2024	December 31, 2023
Bank credit facilities	**$ 306,369**	$ 308,628
Less: deferred financing fees	**(1,046)**	(1,177)
Net borrowings	**$ 305,323**	$ 307,451

Amendments to Bank Credit Facilities

On June 17, 2024, the Company further amended its bank credit facilities to, among other things, facilitate changes to the members of the syndicate of lenders providing our credit facilities, as well as adopt the Canadian Overnight Repo Rate Average (“CORRA”) as the new base reference rate for Canadian dollar loans, given the discontinuation of the Canadian Dollar Offered Rate (“CDOR”). The Company’s borrowing capacity remains at $550,000 with certain provisions that allow the Company to further increase the limit to $650,000, and maintain the existing maximum Funded debt to EBITDA financial covenant ratio of 4.5 with provisions that allow for a short-term increase up to 5.0 following certain business acquisitions. The bank credit facilities mature on March 24, 2027, with an additional two-year extension available at the Company’s option.

As at June 30, 2024, the Company was in compliance with the financial covenants of the amended bank credit facilities, which are summarized below:

	June 30, 2024
Funded debt to EBITDA (maximum of 4.50:1)	**2.11:1**
Interest coverage (minimum of 3.00:1)	**6.55:1**

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)	186,148		7,634
Issued under the Dividend Reinvestment Plan	33,773		1,543
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)	204,370		12,377
Balance as at June 30, 2024	**45,891,951**	**$**	**791,901**

As at June 30, 2024, the 45,891,951 common shares (December 31, 2023 – 45,450,657) are net of 255,757 treasury shares (December 31, 2023 – 417,160) with a carrying value of $17,494 (December 31, 2023 – $26,255) that are held in escrow until vesting conditions are met (Note 13).

On January 26, 2024, the TSX approved the renewal of our Normal Course Issuer Bid ("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 June 30, 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 and six months ended June 30, 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	(186,148)	$34.68
Forfeited/Expired	(8,295)	$40.10
Balance as at June 30, 2024	**2,448,981**	**$50.17**

Information about the Company's share options outstanding and exercisable as at June 30, 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	2.81 years	12,750
$43.38 - $49.59	1,163,863	2.15 years	751,667
$50.19 - $57.88	927,674	3.56 years	258,146
$59.15 - $65.67	325,556	3.22 years	116,402
$50.17	**2,448,981**	**2.84 years**	**1,138,965**

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 LTIRSs
Balance as at January 1, 2024 (all unvested)	44,283
Granted	42,967
Settled	(12,984)
Forfeited	(1,815)
Balance as at June 30, 2024 (all unvested)	**72,451**

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	(35,945)
Forfeited	(10,657)
Balance as at June 30, 2024 (all unvested)	**390,907**

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	(24,443)
Forfeited	(1,113)
Balance as at June 30, 2024 (all unvested)	**55,946**

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	(55,205)
Forfeited	(4,219)
Balance as at June 30, 2024 (all unvested)	**209,952**

(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	25,941
Balance as at June 30, 2024	**259,638**

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
Settled	(166,004)
Balance as at June 30, 2024	**125,370**

(vi) Compensation Expense by Plan

	Three months ended June 30		Six months ended June 30	
	2024	2023	**2024**	2023
Long-Term Equity Incentive Plan	**$ 3,890**	$ 3,284	**$ 7,058**	$ 6,954
LTIRS Plan	**635**	291	**1,432**	548
LTIRSU Plan [(1)]	**1,859**	56	**4,186**	541
RS Plan	**308**	605	**858**	1,676
RSU Plan [(2)]	**246**	(1,061)	**2,752**	885
DSU Plans [(3)]	**(120)**	(2,215)	**2,694**	(1,351)
Other share-based awards	**821**	1,620	**2,082**	3,783

(1) For the three and six months ended June 30, 2024, the Company recorded mark-to-market adjustments of $(527) and $276, respectively (2023 – $(631) and $(555), respectively).
(2) For the three and six months ended June 30, 2024, the Company recorded mark-to-market adjustments of $(452) and $968, respectively (2023 – $(1,836) and $(1,383), respectively).
(3) For the three and six months ended June 30, 2024, the Company recorded mark-to-market adjustments of $(743) and $1,449, respectively (2023 – $(2,624) and $(2,188), respectively).

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

	June 30, 2024	December 31, 2023
LTIRSU Plan	**$ 8,522**	$ 4,199
RSU Plan	**7,628**	9,144
DSU Plans	**12,787**	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 and six months ended June 30, 2024, 1,659,884 share options, 63,783 RSs (including common shares issued in escrow as part of the LTIRS Plan), and nil PSUs were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

For the three and six months ended June 30, 2023, 1,692,049 and 832,864 share options, respectively, 59,578 and 59,421 RSs (including common shares issued in escrow as part of the LTIRS Plan), respectively, and 117,760 and 83,926 PSUs, respectively, 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 June 30		Six months ended June 30	
	2024	**2023**	**2024**	**2023**
Profit (loss) for the period attributable to shareholders of the Company – basic and diluted	**$ 2,284**	$ 11,856	**$ 2,131**	$ 9,443
Weighted average number of common shares outstanding – basic	**45,782,032**	45,361,155	**45,657,634**	45,187,697
Dilutive effect of share options	**55,363**	104,688	**38,650**	182,230
Dilutive effect of equity awards and PSUs	**377,323**	96,117	**342,022**	111,815
Dilutive effect of RSs	**202,846**	253,903	**259,588**	325,542
Weighted average number of common shares outstanding – diluted	**46,417,564**	45,815,863	**46,297,894**	45,807,284
Earnings (loss) per share:				
Basic	**$0.05**	$0.26	**$0.05**	$0.21
Diluted	**$0.05**	$0.26	**$0.05**	$0.21

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:

	June 30, 2024			December 31, 2023		
	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Assets as per Interim Condensed Consolidated Balance Sheets:						
Cash and cash equivalents	**$ -**	**$ -**	**$ 49,472**	$ -	$ -	$ 41,892
Trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments)	**-**	**-**	**230,605**	-	-	228,200
Investments in equity instruments	**-**	**6,076**	**-**	-	6,675	-
Investments in partnerships	**8,111**	**-**	**-**	7,834	-	-
Derivative financial instruments	**15,056**	**-**	**-**	8,811	-	-
Total	**$ 23,167**	**$ 6,076**	**$ 280,077**	$ 16,645	$ 6,675	$ 270,092

	June 30, 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)	**$ -**	**$ 113,618**	$ -	$ 123,866
Lease liabilities	**-**	**46,660**	-	48,101
Deferred consideration payables	**-**	**-**	1,674	-
Contingent consideration payables	**200**	**-**	200	-
Borrowings	**-**	**305,323**	-	307,451
Total	**$ 200**	**$ 465,601**	$ 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:

				June 30, 2024
	Level 1	Level 2	Level 3	**Total**
Assets:				
Investments in equity instruments	$ -	$ -	$ 6,076	**$ 6,076**
Investments in partnerships	-	-	8,111	**8,111**
Derivative financial instruments	-	15,056	-	**15,056**
Liabilities:				
Borrowings	-	306,369	-	**306,369**
Deferred consideration payables	-	-	-	**-**
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 and six months ended June 30, 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 June 30, 2024, the Company provided letters of credit of approximately $1,042 to its lessors (December 31, 2023 – $1,044).

As at June 30, 2024, the Company has committed to aggregate capital contributions of $3,065 (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.

18. Events After the Reporting Period

Signed Definitive Agreement to Divest Property Tax Business

On July 8, 2024, the Company entered into a definitive agreement to sell its Property Tax business, which represents the entirety of the Company's Property Tax operating segment (Note 5), for a total cash consideration of $700,000, following a strategic decision to place greater focus on its CRE software, data and analytics platform. The Company expects the transaction to close in the first half of 2025, subject to customary closing conditions, including receipt of regulatory approvals.

Altus Group

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