Altus Group

Altus Group Reports Fourth Quarter and Full Year 2019 Financial Results

Delivers 18% Altus Analytics Recurring Revenue Growth & Record Property Tax Results in 2019

TORONTO (February 20, 2020) - Altus Group Limited ("Altus Group" or "the Company") (TSX: AIF), a leading provider of software, data solutions and independent advisory services to the global commercial real estate industry, announced today its financial and operating results for the fourth quarter and year ended December 31, 2019.

All amounts are in Canadian dollars and percentages are in comparison to the same period in 2018.

2019 Summary:

- Consolidated revenues were $567.4 million, up 11.2%
- Consolidated profit, in accordance with IFRS, was $18.2 million, up 198.7%
- Consolidated earnings per share, in accordance with IFRS, was $0.46 basic and $0.45 diluted, compared to ($0.48), basic and diluted
- Consolidated adjusted EBITDA[1] was $88.1 million, up 24.3%
- Adjusted earnings per share[2] ("adjusted EPS") was $1.47, compared to $1.05
- Altus Analytics revenues grew 10.1% to $202.0 million, and adjusted EBITDA[1] was $36.8 million, down 11.3% reflecting higher mix of subscription revenues and higher development costs
- Altus Analytics recurring revenues[3] (*as defined below*) grew 18.0% to $153.6 million
- Commercial Real Estate ("CRE") Consulting revenues grew 14.2% to $324.1 million and adjusted EBITDA[1] grew by 55.8% to $76.1 million

Fourth Quarter 2019 Summary:

- Consolidated revenues were $148.8 million, up 13.7%
- Consolidated profit, in accordance with IFRS, was $0.3 million, a $15.0 million improvement
- Consolidated earnings per share, in accordance with IFRS, was $0.01 basic and diluted, compared to ($0.38), basic and diluted
- Consolidated adjusted EBITDA[1] was $23.5 million, up 55.3%
- Adjusted earnings per share[2] ("adjusted EPS") was $0.43, compared to $0.20
- Altus Analytics revenues increased 5.3% to $54.6 million (reflecting a tough compare from the previous year), and adjusted EBITDA[1] was down 48.0% to $5.3 million reflecting higher mix of subscription revenues and higher development costs
- Altus Analytics recurring revenues[3] (*as defined below*) grew 21.1%[4] to $40.9 million

- Commercial Real Estate ("CRE") Consulting revenues grew 24.0% to $83.9 million and adjusted EBITDA[1] increased by 372.8% to $13.4 million

"2019 was a pivotal year for Altus Group with the launch of ARGUS Enterprise on the cloud," said Robert Courteau, Chief Executive Officer at Altus Group. "With ARGUS Enterprise on the cloud, our clients are gaining a lot of value by collaborating and sharing insights like never before. This rollout out gives us the opportunity to capture new clients and new users on a global basis. Our Property Tax business also had a phenomenal year and remains competitively positioned for sustained growth. Our leading position and the strength of our model contributed to market share expansion while delivering exceptional value for clients."

Summary of Operating and Financial Performance by Business Segment:

All amounts are in Canadian dollars and percentages are in comparison to the same period in 2018, as applicable. In addition, the fourth quarter margin includes bonuses which were accrued in quarterly corporate costs in the previous three quarters.

CONSOLIDATED	Year ended Dec. 31,			Quarter ended Dec. 31,		
In thousands of dollars, except for per share amounts	**2019**	2018	% Change	**2019**	2018	% Change
Revenues	$ 567,415	$ 510,429	11.2%	$ 148,769	$ 130,885	13.7%
Adjusted EBITDA[1]	$ 88,145	$ 70,904	24.3%	$ 23,479	$ 15,121	55.3%
Adjusted EBITDA[1] Margin	15.5%	13.9%		15.8%	11.6%	
Profit (loss)	$ 18,194	$(18,439)	198.7%	$ 272	$ (14,719)	101.8%
Earnings (loss) per share:						
Basic	$0.46	($0.48)	195.8%	$0.01	($0.38)	102.6%
Diluted	$0.45	($0.48)	193.8%	$0.01	($0.38)	102.6%
Adjusted	$1.47	$1.05	40.0%	$0.43	$0.20	115.0%

Altus Analytics	Year ended Dec. 31,			Quarter ended Dec. 31,		
In thousands of dollars	**2019**	2018	% Change	**2019**	2018	% Change
Revenues	$ 201,951	$ 183,428	10.1%	$ 54,581	$ 51,826	5.3%
Adjusted EBITDA[1]	$ 36,803	$ 41,478	(11.3%)	$ 5,346	$ 10,276	(48.0%)
Adjusted EBITDA[1] Margin	18.2%	22.6%		9.8%	19.8%	

CRE Consulting	Year ended Dec. 31,			Quarter ended Dec. 31,		
In thousands of dollars	**2019**	2018	% Change	**2019**	2018	% Change
Revenues						
Property Tax	$ 213,483	$ 176,734	20.8%	$ 54,234	$ 39,110	38.7%
Valuation and Cost Advisory	110,649	107,214	3.2%	29,713	28,582	4.0%
Revenues	$ 324,132	$ 283,948	14.2%	$ 83,947	$ 67,692	24.0%
Adjusted EBITDA[1]						
Property Tax	$ 62,746	$ 36,029	74.2%	$ 9,874	$ 324	2,947.5%
Valuation and Cost Advisory	13,337	12,791	4.3%	3,539	2,513	40.8%
Adjusted EBITDA[1]	$ 76,083	$ 48,820	55.8%	$ 13,413	$ 2,837	372.8%
Adjusted EBITDA[1] Margin	23.5%	17.2%		16.0%	4.2%	

Geomatics	Year ended Dec. 31,			Quarter ended Dec. 31,		
In thousands of dollars	**2019**	2018	% Change	**2019**	2018	% Change
Revenues	$ 41,698	$ 43,632	(4.4%)	$ 10,318	$ 11,481	(10.1%)
Adjusted EBITDA	$ 3,436	$ 3,598	(4.5%)	$ 641	$ 877	(26.9%)
Adjusted EBITDA Margin	8.2%	8.2%		6.2%	7.6%	

2019 Review

On a consolidated basis, revenues grew 11.2% year-over-year to $567.4 million and Adjusted EBITDA[1] increased 24.3% to $88.1 million. Changes in the exchange rates against the Canadian dollar benefitted revenues by 0.3% and benefitted Adjusted EBITDA[1] by 1.5%. Acquisitions represented 2.4% of the 11.2% revenue growth for the year.

Consolidated Profit, in accordance with IFRS, was $18.2 million, up 198.7% from ($18.4) million in 2018, which in addition to the higher adjusted EBITDA[1], also improved as a result of lower amortization of intangibles, partly offset by incremental depreciation and finance costs on the implementation of IFRS 16, as well as higher income tax expense on higher earnings. Profit was $0.46 per share basic and $0.45, diluted, compared to ($0.48) per share, basic and diluted, in the same period in 2018.

Adjusted EPS[2] was $1.47, compared to $1.05 in 2018.

Altus Analytics revenues increased 10.1% to $202.0 million, and recurring revenues[3], *as defined below*, grew 18.0% to $153.6 million. The acquisitions of Taliance and One11 represented 5.9% of the 10.1% revenue growth. Adjusted EBITDA was down 11.3% to $36.8 million, reflecting higher mix of subscription revenues and higher development costs. Changes in foreign exchange benefitted revenues by 1.3% and Adjusted EBITDA by 2.6%.

- The increase in annual revenues was driven by strong growth from Appraisal Management solutions, increased software services revenues, and higher maintenance revenues, offset by lower perpetual license revenues as the business transitions to a subscription model. Beginning in the third quarter of 2019, all ARGUS Enterprise ("AE") software license sales to new customers were only sold on subscription terms, which contributed to healthy growth in subscription licenses, however on a year-over-year comparative view subscription revenue growth was impacted by a tough compare in 2018. In 2018, the second quarter had a sizeable new global subscription license contract, and the fourth quarter had a significant subscription contract renewal, both of which were deemed "right-of-use" under IFRS 15. As a result, a portion of those revenues were recognized upfront at the time of delivery rather than ratably over the term of the subscription contract.

- Overall, in 2019 a significant portion of AE sales came from add-on sales to existing customers, followed by sales to net new customers. AE license sales saw healthy growth, and consistent with the strategy to move to a subscription model, there was a higher mix of license sales on subscription terms. Software maintenance revenues continued to grow, supported by 97% software maintenance retention rates[5] for AE. During the year great progress was made in selling AE on the cloud to both new customers and to existing customers who converted their maintenance contracts to cloud subscriptions. The strong growth in Appraisal Management solutions was driven by current customers adding more assets on the platform, new customer wins and growing revenues from international markets.

CRE Consulting revenues increased 14.2% to $324.1 million and Adjusted EBITDA[1] increased 55.8% to $76.1 million, driven primarily by strong performance at Property Tax. Changes in exchange rates impacted CRE Consulting revenues by (0.3%) and there was no impact on Adjusted EBITDA.

- Property Tax revenues increased 20.8% to $213.5 million and Adjusted EBITDA[1] increased 74.2% to $62.7 million. Property Tax revenues improved primarily due to sustained strong performance in the U.K., double-digit growth in the U.S. and strong organic growth in Canada. In the U.K., operations benefitted from continuing settlement of 2017 list cases from a healthy backlog as well as higher annuity billings in the second quarter. In the U.S., growth came from core regional markets, as well as building a healthy pipeline of work in emerging regions such as California. In Canada, the growth in revenues was driven by a rebound of case settlements in Ontario towards the second half of the year, as well as robust performance in Alberta and Manitoba in the first half of the year.

- Valuation and Cost Advisory revenues increased by 3.2% to $110.6 million, primarily due to improved performance from the Canadian Cost practice. Adjusted EBITDA grew by 4.3% to $13.3 million.

Geomatics' revenues were down 4.4% year-over-year to $41.7 million and Adjusted EBITDA[1] was down 4.5% to $3.4 million as the business continued to be impacted by reduced activity levels in the oil and gas sector.

Corporate Costs were $28.2 million, compared to $23.0 million in the same period in 2018, reflecting higher accrual of variable compensation costs and various corporate initiatives to scale the business for growth. Corporate costs as a percentage of revenues were 5.0%, compared to 4.5% in 2018.

Q4 2019 Review

On a consolidated basis, revenues grew 13.7% year-over-year to $148.8 million and Adjusted EBITDA[1] increased 55.3% to $23.5 million. Changes in the exchange rates against the Canadian dollar impacted revenues by (0.2%) and benefitted Adjusted EBITDA[1] by 0.8%. Acquisitions represented 3.4% of the 13.7% revenue growth in the fourth quarter.

Consolidated Profit, in accordance with IFRS, was $0.3 million compared to ($14.7) million in the same period in 2018, which in addition to the higher adjusted EBITDA[1], also improved as a result of lower amortization of intangibles, partly offset by incremental depreciation and finance costs on the implementation of IFRS 16, as well as higher income tax expense on higher earnings. Profit was $0.01 per share basic and diluted, compared to ($0.38) per share, basic and diluted, in the same period in 2018.

Adjusted EPS[2] was $0.43, compared to $0.20 in the fourth quarter of 2018.

Altus Analytics revenues increased 5.3% to $54.6 million, and recurring revenues[3], *as defined below*, grew 21.1%[4] organically to $40.9 million. The acquisition of One11 represented 7.3% of the 5.3% revenue growth. Adjusted EBITDA was down 48.0% to $5.3 million, reflecting the higher mix of subscription revenues and higher level of expenses, including higher product development expenditures compared to the prior year. Changes in foreign exchange impacted revenues by (0.1%) and benefitted Adjusted EBITDA by 0.8%.

- On a comparative view, the fourth quarter of 2018 included a significant multi-year subscription contract renewal that was deemed "right-of-use" under IFRS 15. As a result, a portion of that revenue was recognized upfront at the time of delivery rather than ratably over the term of the subscription contract.

This tough compare muted the growth of the business, which continued to benefit from sustained growth from Appraisal Management solutions, as well as robust maintenance revenues and overall growth in license sales. In addition, fourth quarter results were also impacted by lower perpetual license revenues as the business transitions to a subscription model.

CRE Consulting revenues increased 24.0% to $83.9 million and Adjusted EBITDA[1] increased 372.8% to $13.4 million, driven primarily by strong performance at Property Tax. Changes in exchange rates impacted CRE Consulting revenues by (0.3%) and benefitted Adjusted EBITDA by 1.2%.

- Property Tax revenues increased 38.7% to $54.2 million and Adjusted EBITDA[1] increased 2,947.5% to $9.9 million. Property Tax posted strong double-digit revenue growth across all geographies, the U.K., U.S. and Canada. The U.K. benefitted from an increased volume of case settlements on the 2017 list cases, Canada benefitted from increased levels of settlement values in Ontario and Manitoba, and the U.S. had growth from its largest revenue jurisdictions, including Texas and California.

- Valuation and Cost Advisory revenues increased by 4.0% to $29.7 million, primarily due to improved performance from the Canadian Cost practice. Adjusted EBITDA grew by 40.8% to $3.5 million.

Geomatics' revenues were down 10.1% to $10.3 million and Adjusted EBITDA[1] was down 26.9% to $0.6 million. Earnings declined as a result of reduced revenues, partly offset by improved operational cost efficiencies.

Corporate Costs were $4.1 million, compared to $1.1 million in the same period in 2018. In the first three quarters of the year, bonuses were accrued in the Corporate segment, subject to the overall finalization of bonuses at year-end. In the fourth quarter, bonuses were allocated to the business units which led to the recovery.

Balance Sheet & 2019 Outlook Summary

At the end of 2019, Altus Group's balance sheet remained strong, reinforcing the Company's financial flexibility to pursue its growth strategy. As at December 31, 2019, bank debt stood at $138.0 million, representing a funded debt to EBITDA leverage ratio of 1.49 times (compared to 1.79 times at the end of 2018). As at December 31, 2019, cash and cash equivalents was $60.3 million (compared to $48.7 million as at December 31, 2019). The Company's credit facilities mature on April 28, 2020, and hence have been presented as current liabilities. The Company has negotiated a draft term sheet with its lenders which is in the process of being approved.

Through Altus Group's industry leading capabilities, the Company remains competitively positioned to capitalize on the growing demand for a wide range of client needs in CRE technology, data and advisory solutions with a stable revenue base across economic cycles.

Altus Analytics continues to represent an attractive growth area for Altus Group supported by favourable market trends of growing global demand for CRE-related technology and data solutions. Consistent with its long-term outlook, Management expects year-over-year revenue growth for full year 2020 from both its ARGUS Software business as well as the Data and Appraisal Management solutions. Financial performance expectations for 2020 are consistent with Management's aspirational long-term goal to achieve Altus Analytics revenues of $400 million for full year 2023, with an associated Adjusted EBITDA margin at over 30%.

The CRE Consulting segments continue to represent an attractive growth area for Altus Group driven by a steady demand for specialized services. Growth is expected to be driven primarily by the Property Tax business which is poised for another record revenue year, supported by healthy organic full year revenue growth from all three national markets, the U.K., U.S., and Canada. The Valuation and Cost Advisory practices enjoy significant market share and, as a result, are expected to continue growing modestly. Growth is expected to be driven by operating leverage, enhanced efficiency and productivity from technology, and improved cross-selling across the organization.

As previously announced, subject to definitive documentation, the Company's Geomatics business unit will be spun off into a separate company, in combination with WSP Global Inc.'s geomatics focused business unit. The transaction, which is subject to finalization of definitive documentation, is expected to close in the second quarter of 2020 and will be reflected as discontinued operations starting in the first quarter of 2020.

Q4 and Full Year 2019 Results Conference Call & Webcast

Date:	Thursday, February 20, 2020
Time:	5:00 p.m. (ET)
Webcast:	altusgroup.com (under the Investor Relations tab)
Live Call:	1-800-273-9672 (toll-free) or 416-340-2216 (Toronto area)
Replay:	A replay of the call will be available via the webcast at altusgroup.com

About Altus Group Limited

Altus Group Limited is a leading provider of software, data solutions and independent advisory services to the global commercial real estate industry. Our businesses, Altus Analytics and Altus Expert Services, reflect decades of experience, a range of expertise, and technology-enabled capabilities. Our solutions empower clients to analyze, gain insight and recognize value on their real estate investments. Headquartered in Canada, we have approximately 2,500 employees around the world, with operations in North America, Europe and Asia Pacific. Our clients include many of the world's largest commercial real estate industry participants. Altus Group pays a quarterly dividend of $0.15 per share and our shares are traded on the TSX under the symbol AIF.

For more information on Altus Group, please visit: www.altusgroup.com.

Definitions & Notes

*[1]The Company's definition of adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("**adjusted EBITDA**"), a non-GAAP measure used to measure financial performance, has been modified subsequent to the adoption of IFRS 16, Leases, on January 1, 2019, to adjust for the effects of occupancy costs calculated on a consistent basis to 2018.*

*[2]The Company's definition of **adjusted EPS**, a non-GAAP measure used to measure financial performance, has been modified subsequent to the adoption of IFRS 16, Leases, on January 1, 2019, to adjust for the effects of occupancy costs calculated on a consistent basis to 2018, and depreciation of right-of-use assets and finance costs related to leases recorded in accordance with IFRS 16.*

[3]***Recurring revenues**, a non-GAAP measure, represent revenues related to software and data subscriptions, maintenance for perpetual licenses and appraisal management solutions, where the contract value for software subscriptions is recognized ratably over the contract term. Consistent with recurring revenues disclosed in prior years, this depicts the economics of renewable contracts.*

[4]*Reflects recurring revenues for the fourth quarter of 2018 of $33.7 million (amended).*

[5]***Software maintenance retention rate**, a non-GAAP measure, is calculated as a percentage of 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.*

Non-IFRS Measures

Altus Group uses certain non-IFRS measures as indicators of financial performance. Readers are cautioned that they are not defined performance measures, and do not have any standardized meaning under IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to financial measures as reported by those entities. We believe that these measures are useful supplemental measures that may assist investors in assessing an investment in our shares and provide more insight into our performance.

*Adjusted Earnings before Interest, Taxes, Depreciation and Amortization, ("**Adjusted EBITDA**"), represents profit (loss) before income taxes adjusted for the effects of occupancy costs calculated on a consistent basis to 2018, finance costs (income), amortization of intangibles, depreciation of property, plant and equipment, depreciation of right-of-use assets, acquisition and related transition costs (income), restructuring costs (recovery), share of profit (loss) of associates, unrealized foreign exchange gains (losses), gains (losses) on disposal of property, plant and equipment and intangibles, gains (losses) on investments, impairment charges, non-cash Equity Compensation Plan and Long-Term Equity Incentive Plan costs, gains (losses) on derivatives, gains (losses) on hedging transactions, gains (losses) on equity derivatives net of mark-to-market adjustments on related restricted share units ("RSUs") and deferred share units ("DSUs") being hedged and other costs or income of a non-operating and/or non-recurring nature. Subsequent to the adoption of IFRS 16, Leases, on January 1, 2019, the measurement of Adjusted EBITDA has been modified to reflect occupancy costs on a consistent basis as 2018. Adjusted EBITDA margin represents the percentage factor of Adjusted EBITDA to revenues. Refer to page 26 of the MD&A for a reconciliation of Adjusted EBITDA to our financial statements.*

*Adjusted Earnings (Loss) per Share, ("**Adjusted EPS**"), represents basic earnings (loss) per share adjusted for the effects of occupancy costs calculated on a consistent basis to 2018, depreciation of right-of-use assets, finance costs (income), net - leases, amortization of intangibles of acquired businesses, net of changes in fair value of related equity derivatives, acquisition and related transition costs (income), restructuring costs (recovery), unrealized foreign exchange gains (losses), gains (losses) on disposal of property, plant and equipment and intangibles, gains (losses) on investments, interest accretion on contingent consideration payables, impairment charges, non-cash Equity Compensation Plan and Long-Term Equity Incentive Plan costs, gains (losses) on derivatives, gains (losses) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged and other costs or income of a non-operating and/or non-recurring nature. The basic weighted average number of shares is adjusted for the effects of weighted average number of restricted shares. All of the adjustments are made net of tax. Refer to page 27 of the MD&A for a reconciliation of Adjusted EPS to our financial statements.*

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 Property Tax 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; the successful integration of acquired businesses; and the continued availability of qualified professionals.

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: general state of the economy; currency risk; ability to maintain profitability and manage growth; commercial real estate market; competition in the industry; acquisitions; subscription contracts and transition to the cloud; oil and gas sector; ability to attract and retain professionals; information from multiple sources; reliance on larger enterprise transactions with longer and less predictable sales cycles; success of new product introductions; ability to respond to technological change and develop products on a timely basis; protection of intellectual property or defending against claims of intellectual property rights of others; ability to implement technology strategy and ensure workforce adoption; information technology governance and security, including cyber security; engagement and product pipeline opportunities do not result in sufficient definitive agreements; property tax assessment regulators do not process appeals in a manner consistent with expectations; fixed-price and contingency engagements; appraisal and appraisal management mandates; Canadian multi-residential market; weather; legislative and regulatory changes; customer concentration and loss of material clients; interest rate risk; credit risk; income tax matters; revenue and cash flow volatility; health and safety hazards; performance of contractual obligations and client satisfaction; risk of legal proceedings; insurance limits; ability to meet solvency requirements to pay dividends; leverage and financial covenants; unpredictability and volatility of common share price; capital investment; issuance of additional common shares diluting existing shareholders' interests; and financial targets, as described in our MD&A for the quarter ended June 30, 2019 (which is available on SEDAR at www.sedar.com).

Given these risks, uncertainties and other factors, investors should not place undue reliance on forward-looking information as a prediction of actual results. The forward-looking information reflects management's current expectations and beliefs regarding future events and operating performance and is based on information currently available to management. Although we have attempted to identify important factors that could cause actual results to differ materially from the forward-looking information contained herein, there are other factors that could cause results not to be as anticipated, estimated or intended. The forward-looking information contained herein is current as of the date of this MD&A and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, 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 including revenue guidance and expected Adjusted EBITDA margin and other targets and goals for Altus Analytics. 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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Consolidated Statements of Comprehensive Income (Loss)
For the Years Ended December 31, 2019 and 2018
(Expressed in Thousands of Canadian Dollars, Except for Per Share Amounts)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Revenues	**$ 567,415**	$ 510,429
Expenses		
Employee compensation	**355,320**	330,612
Occupancy	**8,099**	21,340
Office and other operating	**112,262**	98,037
Depreciation of right-of-use assets	**13,440**	-
Depreciation of property, plant and equipment	**7,838**	8,089
Amortization of intangibles	**29,995**	41,025
Acquisition and related transition costs (income)	**188**	2,394
Restructuring costs (recovery)	**(453)**	6,371
(Gain) loss on investments	**(276)**	(43)
Impairment charge - goodwill	**6,400**	13,700
Finance costs (income), net - leases	**2,885**	-
Finance costs (income), net - other	**6,567**	6,701
Profit (loss) before income taxes	**25,150**	(17,797)
Income tax expense (recovery)	**6,956**	642
Profit (loss) for the year attributable to shareholders	**$ 18,194**	$ (18,439)
Other comprehensive income (loss):		
Items that may be reclassified to profit or loss in subsequent periods:		
Currency translation differences	**(13,772)**	17,696
Items that are not reclassified to profit or loss in subsequent periods:		
Change in fair value of FVOCI investments	**92**	(44,351)
Other comprehensive income (loss), net of tax	**(13,680)**	(26,655)
Total comprehensive income (loss) for the year, net of tax, attributable to shareholders	**$ 4,514**	$ (45,094)
Earnings (loss) per share attributable to the shareholders of the Company during the year		
Basic earnings (loss) per share	**$0.46**	$(0.48)
Diluted earnings (loss) per share	**$0.45**	$(0.48)

Consolidated Balance Sheets
As at December 31, 2019 and 2018
(Expressed in Thousands of Canadian Dollars)

		December 31, 2019		December 31, 2018
Assets				
Current assets				
Cash and cash equivalents	**$**	**60,262**	$	48,738
Trade receivables and other		**181,955**		154,298
Income taxes recoverable		**2,403**		6,021
Derivative financial instruments		**1,449**		478
		246,069		209,535
Non-current assets				
Trade receivables and other		**3,696**		8,975
Derivative financial instruments		**5,975**		614
Investments		**11,481**		4,903
Deferred tax assets		**22,163**		19,581
Right-of-use assets		**63,729**		-
Property, plant and equipment		**29,037**		33,197
Intangibles		**92,595**		114,894
Goodwill		**260,380**		266,483
		489,056		448,647
Total Assets	**$**	**735,125**	$	658,182
Liabilities				
Current liabilities				
Trade payables and other	**$**	**128,566**	$	117,520
Income taxes payable		**4,548**		6,802
Lease liabilities		**12,564**		192
Borrowings		**137,929**		666
		283,607		125,180
Non-current liabilities				
Trade payables and other		**16,197**		29,825
Lease liabilities		**63,419**		74
Borrowings		**334**		128,435
Deferred tax liabilities		**11,916**		16,242
		91,866		174,576
Total Liabilities		**375,473**		299,756
Shareholders' Equity				
Share capital		**509,646**		491,542
Contributed surplus		**24,447**		21,882
Accumulated other comprehensive income (loss)		**40,245**		54,558
Retained earnings (deficit)		**(214,686)**		(209,556)
Total Shareholders' Equity		**359,652**		358,426
Total Liabilities and Shareholders' Equity	**$**	**735,125**	$	658,182

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018
(Expressed in Thousands of Canadian Dollars)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Cash flows from operating activities		
Profit (loss) before income taxes	**$ 25,150**	$ (17,797)
Adjustments for:		
Depreciation of right-of-use assets	**13,440**	-
Depreciation of property, plant and equipment	**7,838**	8,089
Amortization of intangibles	**29,995**	41,025
Amortization of lease inducements	**-**	689
Finance costs (income), net - leases	**2,885**	-
Finance costs (income), net - other	**6,567**	6,701
Share-based compensation	**9,839**	9,455
Unrealized foreign exchange (gain) loss	**994**	(981)
(Gain) loss on investments	**(276)**	(43)
(Gain) loss on disposal of property, plant and equipment and intangibles	**274**	1,617
(Gain) loss on equity derivatives and interest rate swaps	**(6,837)**	4,822
Impairment charge - leases	**69**	-
Impairment charge - goodwill	**6,400**	13,700
Net changes in operating working capital	**(23,110)**	(3,826)
Net cash generated by (used in) operations	**73,228**	63,451
Less: interest paid on borrowings	**(5,045)**	(5,370)
Less: interest paid on leases	**(2,885)**	-
Less: income taxes paid	**(15,454)**	(13,520)
Add: income taxes refunded	**2,581**	4,930
Net cash provided by (used in) operating activities	**52,425**	49,491
Cash flows from financing activities		
Proceeds from exercise of options	**6,877**	842
Proceeds from borrowings	**21,600**	51,279
Repayment of borrowings	**(12,872)**	(73,233)
Payments of principal on lease liabilities	**(11,844)**	-
Dividends paid	**(19,199)**	(18,798)
Treasury shares purchased under the Restricted Share Plan	**(5,353)**	(3,061)
Net cash provided by (used in) financing activities	**(20,791)**	(42,971)
Cash flows from investing activities		
Purchase of investments	**(708)**	(3,905)
Purchase of intangibles	**(155)**	(826)
Purchase of property, plant and equipment	**(5,786)**	(11,545)
Proceeds from disposal of property, plant and equipment and intangibles	**147**	271
Proceeds from disposal of investment	**549**	54,173
Acquisitions, net of cash acquired	**(12,477)**	(27,192)
Net cash provided by (used in) investing activities	**(18,430)**	10,976
Effect of foreign currency translation	**(1,680)**	3,172
Net increase (decrease) in cash and cash equivalents	**11,524**	20,668
Cash and cash equivalents, beginning of year	**48,738**	28,070
Cash and cash equivalents, end of year	**$ 60,262**	$ 48,738