Altus Group Reports First Quarter 2020 Financial Results

Mobilized to Help the CRE Industry Navigate Through a Challenging Environment

TORONTO (May 7, 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 ("CRE") industry, announced today its financial and operating results for the first quarter ended March 31, 2020 and provided an update on its business outlook for 2020 in light of the macroeconomic uncertainty resulting from the COVID-19 pandemic.

All amounts are in Canadian dollars and percentages are in comparison to the same period in 2019. Consolidated results presented (including restated comparative figures) exclude the Company's Geomatics business which has now been classified as discontinued operations.

First Quarter 2020 Summary:

- Consolidated revenues were $131.3 million, up 11.9%
- Consolidated profit from continuing operations, in accordance with IFRS, was $1.8 million, a $1.3 million improvement
- Consolidated earnings per share from continuing operations, in accordance with IFRS, was $0.04, basic and diluted, compared to $0.01
- Consolidated Adjusted EBITDA[1] was $13.2 million, down 2.3%
- Adjusted earnings per share[1,2] ("Adjusted EPS") from continuing operations was $0.20, compared to $0.23
- Altus Analytics revenues increased 10.6% to $51.7 million and Adjusted EBITDA[1] was down 5.6% to $9.3 million
- Altus Analytics Over Time[3] revenues (*new metric for recurring revenues, as defined below*) grew 17.3% to $40.1 million
- CRE Consulting revenues grew 12.6% to $79.6 million and Adjusted EBITDA[1] increased by 10.3% to $13.3 million
- Bank debt under the recently amended bank credit facilities was $176.1 million (representing a funded debt to EBITDA leverage ratio of 1.85 times) and cash and cash equivalents was $71.2 million

"As always, our employees and customers are our top priority and our actions throughout the COVID-19 pandemic have been guided by prioritizing their health and safety. As a technology-enabled company, our internal and customer platforms stood up to the test allowing us to operate remotely and continue to conduct business. While the current environment presents unprecedented challenges, our clients also see opportunity ahead. Our cloud-based software solutions, data analytics, and expert insights help our clients navigate through these times and seize the opportunities," said Robert Courteau, Chief Executive Officer of Altus Group. "Our business model and strategic direction stand strong despite the increased uncertainty in the world today, supported by a strong balance sheet and a strong base of Over Time and repeatable revenue streams."

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 2019, as applicable. As previously announced, the Company's Geomatics business has been classified as discontinued operations, and therefore is not included in the current and comparative period consolidated results from continuing operations.

CONSOLIDATED	Quarter ended March 31,		
In thousands of dollars	**2020**	2019	% Change
Revenues	$ 131,256	$ 117,348	11.9%
Adjusted EBITDA[1]	$ 13,248	$ 13,557	(2.3%)
Adjusted EBITDA[1] Margin	10.1%	11.6%	
Profit (loss) from continuing operations	$ 1,757	$ 456	285.3%
Earnings (loss) per share from continuing operations:			
Basic and Diluted	$0.04	$0.01	
Adjusted	$0.20	$0.23	-
Dividends declared per share	$0.15	$0.15	

Altus Analytics	Quarter ended March 31,		
In thousands of dollars	**2020**	2019	% Change
Revenues	$ 51,719	$ 46,781	10.6%
Adjusted EBITDA[1]	$ 9,272	$ 9,821	(5.6%)
Adjusted EBITDA[1] Margin	17.9%	21.0%	
Selected Metrics*			
Over Time[3] revenues	$ 40,083	$ 34,174	17.3%
AE software maintenance retention rate[4]	96%	96%	
Geographical revenue split			
North America	82%	81%	
International	18%	19%	
Cloud adoption rate[5]	6%	n/a	

*Refer to the definitions below or on pages 5 and 6 of the MD&A for the quarter ended March 31, 2020

Note: As Over Time revenues are being introduced in the first quarter of 2020, for a comparative view, Altus Analytics' 2019 Over Time revenues, consistent with IFRS 15, were $36.2 million, $36.8 million, and $38.8 million in the second, third, and fourth quarters of 2019, respectively.

CRE Consulting			Quarter ended March 31,
In thousands of dollars	**2020**	2019	% Change
Revenues			
Property Tax	$ 52,596	$ 44,698	17.7%
Valuation and Cost Advisory	27,015	25,975	4.0%
Revenues	$ 79,611	$ 70,673	12.6%
Adjusted EBITDA[1]			
Property Tax	$ 10,564	$ 9,598	10.1%
Valuation and Cost Advisory	2,777	2,500	11.1%
Adjusted EBITDA[1]	$ 13,341	$ 12,098	10.3%
Adjusted EBITDA[1] Margin	16.8%	17.1%	

Q1 2020 Review

On a consolidated basis, revenues grew 11.9% year-over-year to $131.3 million while Adjusted EBITDA[1] decreased modestly by 2.3% to $13.2 million (as the growth in revenues was offset by higher compensation from headcount additions and other operating costs, including the acquisitions of One11 Advisors, LLC ("One11") and Caruthers & Associates, Inc. in July 2019). The consolidated results exclude the results from the Geomatics business which has been classified as discontinued operations as of the first quarter of 2020. Changes in the exchange rates against the Canadian dollar had a nominal impact on revenues and benefitted Adjusted EBITDA[1] by 0.5%. Acquisitions represented 3.2% of the 11.9% revenue growth in the first quarter.

Consolidated Profit from continuing operations, in accordance with IFRS, was $1.8 million compared to $0.5 million in the same period in 2019, which in addition to the impacts on Adjusted EBITDA[1], also improved as a result of lower amortization of intangibles, offset by higher income tax expense on earnings generated. Earnings from continuing operations was $0.04 per share basic and diluted, compared to $0.01 per share basic and diluted in the first quarter of 2019.

Adjusted EPS[2] was $0.20, compared to $0.23 in the first quarter of 2019.

Altus Analytics revenues increased 10.6% to $51.7 million, of which Over Time[3] revenues (*a newly introduced metric, as defined below*) grew 17.3% organically to $40.1 million. The acquisition of One11 represented 7.3% of the 10.6% revenue growth. Adjusted EBITDA[1] was down 5.6% to $9.3 million. Changes in foreign exchange benefitted revenues by 0.3% and impacted Adjusted EBITDA[1] by 0.5%.

- Revenue growth during the quarter was driven by strong Over Time[3] revenue growth and the acquisition of One11. Over Time[3] revenue growth was driven by the higher mix of subscription sales in the second half of 2019 and the first quarter of 2020, sustained growth from Appraisal Management solutions, and steady maintenance revenues supported by industry leading retention rates[4] for the flagship ARGUS Enterprise ("AE") product. As of the first quarter of 2020, the Company has been fully transitioned to a subscription license model which continued to benefit from add-on on sales to existing customers, new license sales and cloud migrations. The global COVID-19 pandemic had minimal impact on first quarter performance, although towards the end of March there was a modest impact on inside sales volumes focused on the small-to-medium ("SMB") businesses, and to non-recurring software services activity levels as customers all over the world began to transition to work from home.

- The transition to AE cloud subscriptions progressed well and was on plan during the quarter, with positive momentum of migrating existing customers from the on-premise product and selling AE cloud to new customers. As at the end of the first quarter, 6%[5] of the total AE user base had been contracted on ARGUS Cloud, in line with the expectations that formed management's long-term aspirational goal.

- Adjusted EBITDA[1] performance was impacted by a higher level of expenses compared to the prior year, notably software consulting expenditures, including the impact of the One11 acquisition.

CRE Consulting revenues increased 12.6% to $79.6 million and Adjusted EBITDA[1] increased 10.3% to $13.3 million, with both business units contributing to the growth. Changes in exchange rates impacted CRE Consulting revenues by 0.2% and benefitted Adjusted EBITDA[1] by 1.0%.

- Property Tax revenues increased 17.7% to $52.6 million and Adjusted EBITDA[1] increased 10.1% to $10.6 million. Finishing 2019 with record revenue performance, the momentum in case settlement activities continued into the first quarter in the U.K. and Canada. The U.K. benefitted from an increased volume of case settlements on the 2017 list cases as it is now in the final year of the assessment cycle. Canada benefitted from increased case settlements in Ontario that are returning to normal levels, as well as strong performance in Alberta, and Manitoba which is in the peak of its two-year cycles. Consistent with seasonal patterns, the U.S. had a productive first quarter in building its pipeline that is expected to benefit future quarters.

- Valuation and Cost Advisory revenues increased by 4.0% to $27.0 million, primarily due to improved performance from the Canadian Cost practice. Adjusted EBITDA[1] grew by 11.1% to $2.8 million.

- Adjusted EBITDA[1] improved from the strong revenue growth at Property Tax, partly offset by compensation for increased headcount to grow the U.S. and U.K. Property Tax businesses. In addition, to reflect the credit risk introduced by COVID-19, the Company recorded additional provisions of approximately $1.5 million on its trade receivables and unbilled revenue balances.

Corporate Costs were $9.4 million, compared to $8.4 million in the same period in 2019. The increase in Corporate costs was primarily due to increased governance costs, compensation expense from increased headcount, and information technology-related operating costs.

COVID-19 Pandemic Update

The global COVID-19 pandemic has presented unique challenges for all businesses worldwide, including Altus Group and its customers. In early March, the Company took decisive action to mitigate the impact of COVID-19 and rapidly implemented several action plans to protect its employees, customers, and communities, and to protect the stability and health of its business. Protective measures taken by Altus Group included instituting remote work arrangements and restricting non-essential travel and in-person meetings. The Company's business continuity plans have been effective, and Altus Group continues to safely deliver uninterrupted services, software and analytics solutions to customers globally. At the same time, the Company is closely monitoring the effects of the COVID-19 pandemic on both the industry and its operations and is working closely with clients, business partners and vendors to support them while minimizing the impact for the Company.

Altus Group's diversified business model, high Over Time[3] and repeatable revenues supported by a long-standing blue-chip client base, and financial strength enables the Company to navigate the challenging market conditions brought on by COVID-19 with relatively reduced disruption and from a position of strength.

Altus Group remains on solid footing to meet its operating requirements, debt repayment obligations, and to continue investing in growth while maintaining its dividend payments. To further ensure that the Company continues to be as well positioned as possible, the Company will remain focused on sustaining organic growth, containing and reducing costs where appropriate to enhance efficiency, and maximizing cashflow.

In support of strengthening its financial flexibility, on March 24, 2020, the Company amended its revolving credit facility to increase borrowing capacity to $275 million (from $200 million), extended the term by three years (with an additional two-year extension option), and included other improvements including greater flexibility in borrowing terms. Of note, the new credit facility is moving to an unsecured structure, allowing the Company to respond and adapt to the rapidly changing market environment with greater speed and efficiency. As at the end of the first quarter, Altus Group's balance sheet remained healthy; bank debt stood at $176.1 million, representing a funded debt to EBITDA leverage ratio of 1.85 times (well below its maximum limit of 4.00 times) and cash and cash equivalents was $71.2 million.

Having modeled a range of possible downside outcomes for the rest of the year due to COVID-19, management continues to expect healthy consolidated revenue and Adjusted EBITDA[1] performance in 2020, but lower than anticipated prior to the COVID-19 pandemic onset.

Altus Analytics

The Altus Analytics business continues to represent an attractive growth area, supported by favourable market trends of growing global demand for CRE-related technology and data solutions. The Altus Analytics business continues to be well positioned to deliver year over year revenue growth in 2020 as it continues its revenue model shift to a subscription-based license model, notwithstanding the macroeconomic uncertainty and business impact brought on by the COVID-19 pandemic. The Company also remains on track with its 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%.

An analysis of anticipated trends in 2020 follows:

- Incremental revenue growth in 2020 will continue to be driven by expanding existing customer wallet share, gaining new customer wins and furthering geographic expansion into Europe and Asia Pacific for both software and Appraisal Management solutions. Increasing the volume and value of enterprise transactions for multi-product and/or global deals with the Company's top 200 clients remains a strategic focus and should provide the business with enhanced revenue growth.

- With over 77% of our revenues coming from Over Time[3] revenue streams, Altus Analytics is stable and advantageously positioned to navigate the challenges brought on by the COVID-19 pandemic. The Over Time[3] revenue base is supported by industry leading retention rates and multi-year contracts, and the "mission critical" differentiation of the Altus Analytics solutions now more than ever help clients navigate the unique COVID-19 related challenges in CRE.

- The strategy of transitioning the ARGUS client base to the AE cloud-based subscription solution remains on track. As the cloud solution offers improved collaboration capabilities that are increasingly required for those working remotely during the pandemic, interest from clients on making the transition sooner is growing. Based on current trends, management anticipates its customer migration to the cloud to continue throughout 2020 without any material disruption.

- The current software pipeline of opportunities remains healthy and management remains confident in the Company's ability to capture long term growth. In the near term, as a result of COVID-19 and the Company's customers' ability to work remotely, short term challenges may arise in completing transactions within timeframes that would otherwise be considered normal. Also, in the near term, some of the Company's non-recurring revenue streams, such as technology consulting, implementation, education and training, are expected to be impacted as client priorities shift during the pandemic and as in-person meetings are restricted. Management expects these services to revert to normal levels as clients return to work.

- The Appraisal Management business is poised for healthy performance in 2020. In general, during times of market volatility, the insights and services provided by Appraisal Management are in greater demand not only from its existing clients but from other industry participants as well. The Company's solutions provide transparency, performance analytics and insights that help clients maximize the performance of their assets. In addition, clients are mostly large, well-capitalized investors that in many cases seek new investment opportunities during market disruptions. Although there may be a temporary slowdown in new client additions, overall, management expects to add more assets onto the Appraisal Management platform over the longer term and may also benefit from increased frequency of portfolio valuations as clients require more performance and operational visibility with respect to their investments.

Overall, demand for the Company's Altus Analytics solutions is expected to remain strong in 2020, and as the global economy starts to recover, activity levels should rebound to pre-COVID-19 levels and potentially accelerate as companies worldwide push for more data-driven visibility on their CRE assets, endeavor to streamline operations with technology and prioritize cloud-based solutions.

Altus Group's financial strength enables continued investment in innovation and growth at Altus Analytics. Management will continue to make the appropriate investments in support of its long-term growth objectives, while remaining focused on improving operating efficiencies and driving margins higher.

CRE Consulting

The Property Tax business continues to represent an attractive growth area for the Company driven by a steady demand for specialized services. The Property Tax business is fundamentally stable as the Company's market share in key markets remains strong and as the value of Altus Group's appeal pipelines remains intact, with an opportunity to grow market share.

The COVID-19 pandemic has presented some new challenges in certain jurisdictions. For instance, in the U.K., as part of the COVID-19 subsidy program, 2020 ratings for companies in the hospitality, leisure and retail sectors have been suspended. This change will have some impact on the 2020 annuity billings in the U.K. as the Company will not be able to invoice clients in those sectors as savings achieved in a prior year no longer exist for 2020. In addition, in some jurisdictions, the timing of anticipated appeal settlements is being delayed as scheduling and hearing dates are being deferred. This will cause some deferral of revenue into future quarters. In some jurisdictions, local governments are also providing tax abatements and other deferral programs that may have some impact on the Company's ability to invoice clients. Although some impact to revenues is expected in the near term, management remains positive on the revenue opportunities for 2020 and beyond. Management previously stated that it expected a record revenue year for the global Property Tax business for 2020. Given the performance in the first quarter, visibility into the pipeline, and the current pace of case settlements, management believes a record revenue year is still achievable. In addition, the Company's experience has been that periods of market disruption have tended to lead to valuation volatility, which ultimately provides Altus Group with greater opportunities to maximize savings for its customers.

Overall, although Altus Group's pipeline of opportunities remains solid for the year, management anticipates that a slowdown in appeal settlement activity volumes will ultimately shift some of the anticipated revenues into future quarters and further spill into 2021. For 2021, Management anticipates a strengthening of the opportunities based on spillover of case settlements, enhanced settlements given the COVID-19 disruption, and greater market share. Given the nature of the Property Tax business as discussed in more detail in the seasonal and cyclical variations in the MD&A, management expects to experience typical quarterly variability in financial performance, which could potentially be more pronounced during the COVID-19 pandemic.

The current COVID-19 pandemic has also imposed a number of challenges for the Valuation and Cost Advisory businesses. A significant portion of the Valuation business consists of periodic valuations of CRE portfolios, which are expected to remain stable or in some cases increase in frequency, however, there could be some pressure on some of the transactional services. The Cost Advisory business depends to a large extent on an active CRE developer market, which could be temporarily stalled in the current environment. However, the long-term opportunity associated with this business remains intact as many engagements are multi-year.

The extent of potential business disruption in fiscal 2020 cannot be known with any degree of certainty. Management intends to closely monitor the COVID-19 situation as it relates to the Company's business and adjust as necessary as events unfold.

Q1 Results Conference Call & Webcast

Date:	Thursday, May 7, 2020
Time:	5:00 p.m. (ET)
Webcast:	altusgroup.com (under the Investor Relations tab)
Live Call:	1-800-806-5484 (toll-free North America) or 416-340-2217 (Toronto area)
Participant Passcode:	1828708# (passcode required to access live call)
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 2,250 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 Toronto Stock Exchange 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 classification of the Geomatics business as a discontinued operation, to adjust for profit (loss) from discontinued operations.*

[2]*The Company's definition of **adjusted EPS**, a non-GAAP measure used to measure financial performance, has been modified subsequent to the classification of the Geomatics business as a discontinued operation, to adjust for profit (loss) from discontinued operations.*

[3]***Over Time revenues**, a new metric introduced in the first quarter of 2020 in replacement of the historic reporting of "recurring revenues", are consistent with IFRS 15, Revenue from Contracts with Customers. These Over Time revenues are comprised of subscription revenues recognized on an over time basis in accordance with IFRS 15, maintenance revenues from legacy perpetual licenses, and data subscription and Appraisal Management revenues. The main difference in the new "Over Time revenues" compared to the historic "recurring revenue" disclosure is that it will not include the point in time revenue component recognized up front for on-premise subscription contracts recognized in accordance with IFRS 15.*

[4]***AE software maintenance retention rate**, a non-GAAP measure, is calculated as a percentage of AE software maintenance revenue retained upon renewal; it represents the percentage of the available renewal opportunity in a fiscal period that renews, calculated on a dollar basis, excluding any growth in user count or product expansion. The Company plans to present a "ARGUS Enterprise (AE) software renewal rate" at the end of 2020 to also include the retention of subscription revenues as by that point there will be a meaningful number of subscriptions which will be eligible for renewal.*

[5]***Cloud adoption rate**, a non-GAAP measure, is a new metric introduced in the first quarter of 2020 that represents the percentage of the total AE user base contracted on the ARGUS Cloud platform. It includes both new AE cloud users as well as those who have migrated from the legacy AE on-premise software.*

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) from continuing operations before income taxes, adjusted for the effects of: occupancy costs calculated on a similar basis prior to the adoption of IFRS 16, finance costs (income), net – other, depreciation of property, plant and equipment and amortization of intangibles, depreciation of right-of-use assets, finance costs (income), net – leases, acquisition and related transition costs (income), unrealized foreign exchange (gains) losses, (gains) losses on disposal of property, plant and equipment and intangibles, share of profit (loss) of associates, impairment charges, non-cash Equity Compensation Plan and Long-Term Equity Incentive Plan costs, (gains) losses on equity derivatives net of mark-to-market adjustments on related restricted share units ("RSUs") and deferred share units ("DSUs") being hedged, (gains) losses on derivatives, restructuring costs (recovery), (gains) losses on investments, (gains) losses on hedging transactions, and other costs or income of a non-operating and/or non-recurring nature. Subsequent to the classification of the Geomatics business as a discontinued operation, the* *measurement of Adjusted EBITDA has been modified to reflect an adjustment for profit (loss) from discontinued operations. 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 interim financial statements.*

*Adjusted Earnings (Loss) per Share ("**Adjusted EPS**"), represents basic earnings (loss) per share from continuing operations adjusted for the effects of: occupancy costs calculated on a similar basis prior to the adoption of IFRS 16, depreciation of right-of-use assets, finance costs (income), net - leases, amortization of intangibles of acquired businesses, unrealized foreign exchange (gains) losses, (gains) losses on disposal of property, plant and equipment and intangibles, non-cash Equity Compensation Plan and Long-Term Equity Incentive Plan costs, (gains) losses on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged, interest accretion on contingent consideration payables, restructuring costs (recovery), losses (gains) on hedging transactions and interest expense (income) on swaps, acquisition and related transition costs (income), (gains) losses on investments, share of (profit) loss of associates, impairment charges, (gains) losses on derivatives, and other costs or income of a non-operating and/or non-recurring nature. Subsequent to the classification of the Geomatics business as a discontinued operation, the measurement of Adjusted EPS has been modified to reflect an adjustment for profit (loss) from discontinued operations. 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 interim 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; any direct or indirect negative potential impact or harm that COVID-19 (coronavirus) may actually have on the Company's business or the business of its potential and current clients; a decline in the demand for the Company's products and services due to the COVID-19 (coronavirus) pandemic; currency; financial performance; financial targets; commercial real estate market; industry competition; acquisitions; cloud subscriptions transition; software renewals; professional talent; third party information; enterprise transactions; new product introductions; technological change; intellectual property; technology strategy; information technology governance and security; product pipeline; property tax appeals; legislative and regulatory changes; fixed-price and contingency engagements; appraisal and appraisal management mandates; Canadian multi-residential market; customer concentration and loss of material clients; interest rates; credit; income tax matters; health and safety hazards; contractual obligations; legal proceedings; insurance limits; ability to meet solvency requirements to make dividend payments; leverage and financial covenants; share price; capital investment; and issuance of additional common shares, as described in our annual *publicly filed documents, including the Annual Information Form for the year ended December 31, 2019, and our MD&A for the quarter ended March 31, 2020 (which are available on SEDAR at www.sedar.com).*

Given these risks, uncertainties and other factors, investors should not place undue reliance on forward-looking information as a prediction of actual results. The forward-looking information reflects management's current expectations and beliefs regarding future events and operating performance and is based on information currently available to management. Although we have attempted to identify important factors that could cause actual results to differ materially from the forward-looking information contained herein, there are other factors that could cause results not to be as anticipated, estimated or intended. The forward-looking information contained herein is current as of the date of this press release and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus 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. 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 Months Ended March 31, 2020 and 2019
(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Per Share Amounts)

	Three months ended March 31	
	2020	2019
Revenues	**$ 131,256**	$ 117,348
Expenses		
Employee compensation	**88,355**	79,552
Occupancy	**2,071**	1,619
Office and other operating	**26,882**	21,657
Depreciation of right-of-use assets	**2,872**	3,276
Depreciation of property, plant and equipment	**1,323**	1,461
Amortization of intangibles	**6,394**	7,955
Acquisition and related transition costs (income)	**(1,176)**	(18)
Restructuring costs (recovery)	**(25)**	-
(Gain) loss on investments	**(125)**	(107)
Finance costs (income), net - leases	**660**	687
Finance costs (income), net - other	**1,507**	1,650
Profit (loss) from continuing operations before income taxes	**2,518**	(384)
Income tax expense (recovery)	**761**	(840)
Profit (loss) for the period from continuing operations	**$ 1,757**	$ 456
Profit (loss) for the period from discontinued operations	**(5,436)**	(891)
Profit (loss) for the period attributable to shareholders	**$ (3,679)**	$ (435)
Other comprehensive income (loss):		
Items that may be reclassified to profit or loss in subsequent periods:		
Currency translation differences	**21,666**	(5,074)
Items that are not reclassified to profit or loss in subsequent periods:		
Change in fair value of FVOCI investments	**(1,250)**	(126)
Other comprehensive income (loss), net of tax	**20,416**	(5,200)
Total comprehensive income (loss) for the period, net of tax, attributable to shareholders	**$ 16,737**	$ (5,635)

Earnings (loss) per share attributable to the shareholders of the Company during the period		
Basic earnings (loss) per share:		
Continuing operations	**$0.04**	$0.01
Discontinued operations	**$(0.14)**	$(0.02)
Diluted earnings (loss) per share:		
Continuing operations	**$0.04**	$0.01
Discontinued operations	**$(0.13)**	$(0.02)

Interim Condensed Consolidated Balance Sheets
As at March 31, 2020 and December 31, 2019
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	March 31, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	**$ 71,158**	$ 60,262
Trade receivables and other	**182,041**	181,955
Income taxes recoverable	**3,957**	2,403
Derivative financial instruments	**1,238**	1,449
	258,394	246,069
Assets held for sale	**21,944**	-
	280,338	246,069
Non-current assets		
Trade receivables and other	**1,639**	3,696
Derivative financial instruments	**4,613**	5,975
Investments	**10,942**	11,481
Deferred tax assets	**22,735**	22,163
Right-of-use assets	**59,540**	63,729
Property, plant and equipment	**23,178**	29,037
Intangibles	**90,491**	92,595
Goodwill	**265,408**	260,380
	478,546	489,056
Total Assets	**$ 758,884**	$ 735,125
Liabilities		
Current liabilities		
Trade payables and other	**$ 101,417**	$ 128,566
Income taxes payable	**2,862**	4,548
Lease liabilities	**11,473**	12,564
Borrowings	**135**	137,929
Derivative financial instruments	**19**	-
	115,906	283,607
Liabilities directly associated with assets held for sale	**7,203**	-
	123,109	283,607
Non-current liabilities		
Trade payables and other	**11,502**	16,197
Lease liabilities	**60,225**	63,419
Borrowings	**175,344**	334
Deferred tax liabilities	**13,621**	11,916
	260,692	91,866
Total Liabilities	**383,801**	375,473
Shareholders' Equity		
Share capital	**517,754**	509,646
Contributed surplus	**21,104**	24,447
Accumulated other comprehensive income (loss)	**60,661**	40,245
Retained earnings (deficit)	**(224,436)**	(214,686)
Total Shareholders' Equity	**375,083**	359,652
Total Liabilities and Shareholders' Equity	**$ 758,884**	$ 735,125

Interim Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2020 and 2019
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Three months ended March 31	
	2020	2019
Cash flows from operating activities		
Profit (loss) before income taxes from continuing operations	**$ 2,518**	$ (384)
Profit (loss) before income taxes from discontinued operations	**(5,436)**	(891)
Profit (loss) before income taxes	**$ (2,918)**	$ (1,275)
Adjustments for:		
Depreciation of right-of-use assets	**2,924**	3,650
Depreciation of property, plant and equipment	**1,434**	1,916
Amortization of intangibles	**6,395**	8,427
Finance costs (income), net - leases	**699**	732
Finance costs (income), net - other	**1,498**	1,650
Share-based compensation	**2,612**	2,299
Unrealized foreign exchange (gain) loss	**(772)**	494
(Gain) loss on investments	**(125)**	(107)
(Gain) loss on disposal of property, plant and equipment and intangibles	**(32)**	276
(Gain) loss on equity derivatives and interest rate swaps	**1,436**	(1,087)
Fair value loss (gain) on net assets directly associated with discontinued operations	**4,507**	-
Net changes in operating working capital	**(29,572)**	(18,613)
Net cash generated by (used in) operations	**(11,914)**	(1,638)
Less: interest paid on borrowings	**(1,164)**	(1,058)
Less: interest paid on leases	**(699)**	(732)
Less: income taxes paid	**(3,274)**	(6,236)
Add: income taxes refunded	**639**	1,546
Net cash provided by (used in) operating activities	**(16,412)**	(8,118)
Cash flows from financing activities		
Proceeds from exercise of options	**5,391**	313
Financing fees paid	**(553)**	-
Proceeds from borrowings	**38,135**	13,434
Repayment of borrowings	**(17)**	(231)
Payments of principal on lease liabilities	**(3,863)**	(2,869)
Dividends paid	**(5,340)**	(4,184)
Treasury shares purchased under the Restricted Share Plan	**(4,017)**	(4,268)
Net cash provided by (used in) financing activities	**29,736**	2,195
Cash flows from investing activities		
Purchase of investments	**(145)**	(303)
Purchase of intangibles	**(63)**	(62)
Purchase of property, plant and equipment	**(920)**	(1,320)
Proceeds from disposal of property, plant and equipment and intangibles	**53**	15
Net cash provided by (used in) investing activities	**(1,075)**	(1,670)
Effect of foreign currency translation	**2,357**	(3,626)
Net increase (decrease) in cash and cash equivalents	**14,606**	(11,219)
Cash and cash equivalents, beginning of period	**60,262**	48,738
Cash and cash equivalents, end of period	**$ 74,868**	$ 37,519