

# Message to Shareholders

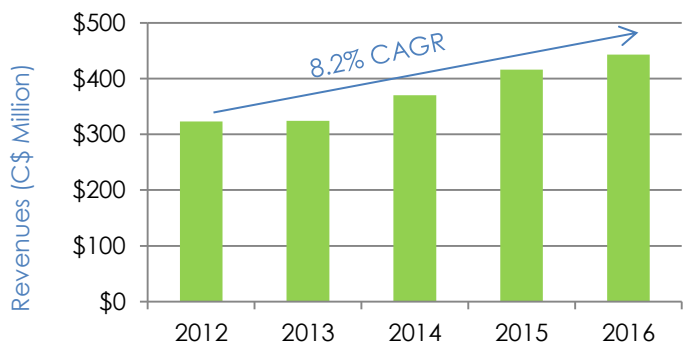


February 23, 2017

Fellow Shareholders,

2016 was an outstanding year of accomplishment for Altus Group. Thanks to the commitment and hard work of more than 2,300 employees worldwide, we continued to add significant value to our clients with innovative commercial real estate (CRE) data analytics solutions and expert services. All the while, we delivered strong financial results and accelerated the evolution of Altus Group.

Our progress last year was substantial and further solidified our track record of growth – not just in market share gains and numerous client wins, but also in our key financial metrics. As one measure of success, we sustained double-digit topline and Adjusted EBITDA growth in our core Altus Analytics and CRE Consulting segments, with consolidated growth impacted by the macro-economic headwinds on our Geomatics business. Our annual consolidated revenues rose 6.4% to \$442.9 million and our Adjusted EBITDA grew by 16.9% to \$74.1 million, while our operating margins expanded by 150 basis points to 16.7%. The strong performance drove a 17.3% improvement to our Adjusted Earnings per Share (EPS), which reached \$1.15, reflecting the strength of our strategy and the investments we undertook to position Altus Group for profitable growth.



**6%**  
Revenue  
Growth in 2016

**8%**  
Revenue  
4-Yr CAGR

**17%**  
Adj. EBITDA  
Growth in 2016

**10%**  
Adj. EBITDA  
4-Yr CAGR

Altus Group's financial strength remains a key pillar of our investment proposition and was an important priority during 2016. Our prudent financial management continues to generate solid returns with steady topline growth and strong cash generation. Our balance sheet has considerable financial flexibility to support our numerous growth initiatives and allows us to continue to deploy capital towards acquisitions and growth investments.

2016 was also an important year in further enhancing our information services platform, a model that captures the delivery of analytics applications and services. This best describes how we see ourselves going forward, and how our clients increasingly see us. Our business model is shifting more to information services, whereby we will increasingly leverage data to deliver insights and outcomes to help our clients maximize the value of their real estate assets and portfolios. After all, we're not just selling products and services; we're solving business problems for our clients.

With the rise of real estate increasingly recognized as the fourth investment asset class, our clients' needs have evolved. Our market-standard software and data assets (which were all combined into our newly formed Altus Analytics business unit), together with our leading Altus Expert Services practices, uniquely position us to deliver greater value to our clients and address the evolving needs of our industry.

When I first joined the Company over 4 years ago, I was particularly excited about the significant potential we had to innovate in this industry and disrupt it with technology. The CRE industry was changing rapidly – becoming more institutionalized, globalized and professionalized – and compared to other sectors, it was significantly underinvested in technological innovation. This presented us with an attractive opportunity to add value to our clients, and in doing so, earn a good profit for our shareholders. And we did just that, as evidenced by the strong double-digit growth put up by our Altus Analytics business.

Despite having achieved a consolidated 8.2% topline and 9.7% bottom line compounded annual growth rate (CAGR) during this time, today I remain just as enthusiastic about our growth prospects as I was when I first joined. In addition to the long-term and global growth runway ahead for our Altus Analytics business, we see potential for innovation and long-term growth from our Altus Expert Services practices – first by modernizing them with technology, and then by leveraging their data to deliver new analytics applications and technology-enabled services.

We have a privileged position in the marketplace with a trusted brand, market-standard analytics solutions, and we're regarded as industry experts in the fields in which we operate. This provides us with a solid foundation for future growth and compels us to invest, to not only sustain our market leadership, but also to position our Company for long-term profitable growth.

Our focus in 2017 remains on continuing to build out our Altus Analytics product offerings to drive long-term global growth; enhancing the value of our Altus Expert Services, with particular emphasis on growing our Property Tax practice; and building and scaling our data offerings to leverage the data that we collect to drive differentiation, and eventually launch new products and strengthen our recurring revenue streams. Our goal is to evolve towards a focused and integrated business model that scales our data, analytics and software capabilities on a global basis while continuing to provide independent and technology-enabled real estate consulting services. Indeed we have a lot of work ahead of us, but we have the best of the industry's talent on our team and I'm confident that our management team is well equipped to deliver on this strategy.

In closing, I want to recognize the outstanding contribution of our world-class senior management team and all those who report into them – they have built an exceptional organization, and I'm extremely proud of our team. I would also like to express my sincere appreciation to our Board of Directors for their ongoing support and guidance; they share in my enthusiasm for the future, and have been instrumental to our progress.

We're pleased to have had such strong momentum in capital markets this past year, contributing to the 60% increase in our share price in 2016, outperforming the S&P/TSX Composite Index, and enabling us to surpass the \$1 billion market capitalization milestone. With over 9% of our shares held by insiders and employees, our interests are deeply aligned with shareholders, and we remain committed to increasing value for all our stakeholders as we look forward to a productive year ahead.

Sincerely,



Robert Courteau,  
Chief Executive Officer, Altus Group Ltd.