



Fellow Shareholders,

2019 was a break-out year for Altus Group as we're approaching a critical inflection point in our multi-year strategy. This is personally rewarding for our team, as we have always taken a long term view of the great potential of our business. Yet despite the significant progress to date, we feel like we're just getting started. One of the best things about Altus Group is that we're a highly energized, fast growing, global company driven by a workforce of approximately 2,500 motivated employees who never stop pushing limits.

The strong financial results from 2019 underpin that we're in growth mode and demonstrate that our past investments in innovation and growth are generating returns, solidifying our foundation for long term profitable growth. Our consolidated revenues grew 11% to \$567.4 million, Adjusted EBITDA grew 24% to \$88.1 million, and as a measure of our operating profitability, Adjusted EBITDA margins expanded from 13.9% in 2018 to 15.5% in 2019. The strong performance resulted in a 40% improvement in Adjusted Earnings per Share to \$1.47, and as a reflection of the value our shareholders

have placed on our company, our total shareholder return (TSR) in 2019 was an impressive 63%.

As I look back on the last decade – a period of remarkable change and modernization in the commercial real estate industry – it is truly impressive how much the team has accomplished in repositioning our business for the new opportunities created by this change. It is equally impressive that during this period of change that saw a rise in competitive products driven by record investments into the PropTech space, we steadily continued to grow market share in our core offerings. This validates the exceptionally strong business moats we have, supported by mission critical solutions that we continue to build upon. Despite our privileged market leading position, our growth runway continues to be long and global.

At Altus Analytics, during 2019 we rapidly shifted from a building phase to execution, while strategically transitioning our revenue model to be recurring subscription based in a way that allowed us to have sustained predictable revenue growth. We provided a lot of transparency on this during the year and invite you to review our June market update and December investor day materials for more detailed information. With the launch of our flagship Argus Enterprise software on the cloud in July of 2019, we initiated a significant business transition and set some aspirational goals for ourselves to: 1) move our Altus Analytics revenue base towards ~90% recurring by the end of 2021; 2) migrate the majority of our legacy on-premise customers to the cloud by the end of 2023; and 3) double our Altus Analytics revenues from \$202 million in 2019 to \$400 million by the end of 2023 at >30% Adjusted EBITDA margins, which we expect will be supported by the combination of steady revenue growth, controlled expense management and leverage of past development investments. Shareholders should be reassured to know that our Altus Analytics leadership team, as well as myself, will be measured against a number of very specific operational and organizational key performance indicators (KPIs) related to these targets. Our financial interests are very much aligned with yours.

But first, since we welcomed a lot of new shareholders throughout the year, a little context might prove helpful in how you come to assess our strategy and track record for Altus Analytics. When I first joined the Company in late 2012, following a period of operational turnaround we were faced with two options for ARGUS – modernize the product by moving to the cloud sooner, or move the market on a new standard globally. We went with the latter, for a number of reasons that factored in the CRE industry's reluctance to move their data on the cloud at the time. Most importantly, we felt it was critical to move the market on a single ARGUS Enterprise standard globally to both protect and strengthen our business moats and product advantage. The move to Cloud was always inevitable, but we wanted to establish a global operating model first to make this business more valuable.

The first part of our transition goes back to 2013, when we initiated the migration of our customer base from our legacy single-asset valuation products to the superior ARGUS Enterprise portfolio solution, while simultaneously enhancing the product functionality for global adoption. It took us about four years to move our customer base to Argus Enterprise. This was no easy feat, and many lessons were learned enabling us to approach this upcoming transition to Cloud from a position of strength. In addition, to give customers more flexibility over the years we introduced optional subscription pricing for on-premise software and a hosted version of the product (for those customer who expressed a preference). This impacted our revenue growth rates, but strengthened our recurring revenue base and was a key precursor to our Cloud transition.

The next transition phase from 2015 onwards was to evolve our technology stack to establish a platform solution with multiple global asset and investment management capabilities. We started this by adding new capabilities (through acquisitions and product innovation) and by integrating them to provide customers with a single cloud-based platform for

their end-to-end workflow and data collaboration needs. This required us to pivot our development focus, invest in the Cloud platform, and evolve our sales model to accelerate multi-product solution enterprise selling. This remains a critical area of focus for us today, with potential for significant value creation.

As I've mentioned before, the biggest upside from this point on will be when Argus is adopted as the global asset and investment management analytics and data platform of choice for the CRE industry – this has potential to materially increase our ability to do more large, higher-value enterprise deals and drive global deployment of Argus amongst all of our large clients. This is what we consider the real “break-out” opportunity for our Company.

Throughout both transition phases we continued to organically grow our customer base, strengthened our presence in international markets, broadened the use of Argus through strong re-purchase rates, initiated strategic enterprise selling and held our Argus Enterprise maintenance retention rates at industry superior levels in the high mid 90%. Financially, we demonstrated a strong track record of having delivered robust revenue growth with top tier Adjusted EBITDA margin performance outside of some “step out” investment phases that we believed were critical to our strategy. Be assured, we will always make decisions with a long term perspective.

Last year we finally made the turn to position our Altus Analytics business for the transition to Argus Cloud. As discussed at length in our materials, we took a very strategic approach to pull clients in with value, making it easy and seamless to move over with a hybrid, customer-friendly model. In the second half of 2019 all Argus Enterprise licenses to new customers were only sold on subscription terms and on a Cloud platform, while we offered existing customers more flexibility for add-on transactions. As of the start of 2020, all of our software products are only offered on subscription terms, with Argus Enterprise increasingly purchased on a Cloud platform. This migration is well underway, proceeding as planned and customers have been supportive. To start, we have enhanced value for customers through new portfolio benchmarking functionality and by introducing APIs – both only available to Cloud customers. The value proposition of being on a Cloud platform is now well understood in the CRE industry – the “pull” is there.

As always envisioned, the move to a Cloud platform would be critical to establishing a recurring revenue model, and required for future product innovation as it better positions us to start unlocking the power of the global and high-value data that resides in our software. Looking ahead, with the transformation investments now behind us and the execution against our Cloud transition going smoothly, we remain very excited about the future growth opportunities ahead for Altus Analytics both in software and in our data solutions – with the potential for Argus to be the key platform for global asset and investment management in CRE, as well as for new product opportunities in adjacent market verticals where we currently have limited penetration, and in data-driven insights.

2019 was also a break-out year for our CRE Consulting services business, particularly for our global Property Tax business where the strength of our model created exceptional value for both customers and all other stakeholders. The Property Tax group had a phenomenal year, delivering record revenue and Adjusted EBITDA results, with strength across the entire business from all of our key markets.

The strength of this business goes beyond being in a sweet spot of a cycle, but it's rooted in our model and the strong competitive advantages that have allowed us to deliver a 17% five-year revenue compound annual growth rate (CAGR). When we look at our internal KPIs we see positive trends in increased values of contingency contracts on key client engagements, strong success rates, pipeline volume driven by improved business development, value of the appeals maximized due to the strength of our data, and overall operational productivity has been improving as we have added more technology to our delivery model. This certainly contributed to the top tier, strong 29% Adjusted EBITDA margins we posted for the year and positions us for even stronger revenue performance in 2020.

Our global Property Tax practice continues to represent an attractive growth area, driven both by solid market fundamentals and our strong competitive position. Our global reach with national scale and regional expertise, plus comprehensive databases on key CRE markets and expert knowledge, combine to make us a leader in the industry. Our strategy aims to take advantage of our strategic global position with Property Tax to further enhance value; we will achieve this by continuing growing our market share and scale our Property Tax business into a leading, independent global property tax advisory practice that leverages technology and data. Key priorities for 2020 will remain focused on continued organic growth, pursuing financially accretive acquisitions when opportunities arise (particularly focused on the U.S. and U.K. where our penetration is still modest relative to the opportunity), and driving digital transformation with technology and data to enhance client value while improving internal efficiencies, modernizing our service delivery and data-enabling business development.

Our Valuation and Cost Advisory businesses also had good performance in 2019 and continue to be stable contributors to our CRE Consulting revenues and profits. We enjoy strong market leadership in each practice area and the strength of these business brands in Canada and Asia Pacific has been foundational to our strong global reputation. Over the last

several years, our investment spending for these businesses has been modest and centered on their current markets, aimed at protecting our business moats and funding opportunities that will leverage their existing operating models. Year after year, they prove to be solid operators and drive strong client value, as exemplified by their strong client and project retention.

Overall, through our industry leading capabilities and with the unique combination of technology prominence and deep CRE knowledge, we remain 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. We are uniquely positioned for growth from both Altus Analytics and CRE Consulting, two independently strong, high-value and growing business segments. We have good growth runways ahead, and we will continue to maximize the value of all our business assets.

In May of 2020, Altus Group will celebrate its 15-year anniversary as a public company. Our Company's focus and strategy has evolved significantly over this period, adapting to the remarkable change that has occurred in the CRE industry and a reshaping of the competitive environment. We have continued to deliver steady revenue growth since the day we went public, while strategically managing the evolution from our legacy "diversified CRE services" orientation to "CRE software, data solutions and advisory" while establishing a higher recurring revenue base over the years. We remain appreciative of the shareholders who have supported us over the years. We are fortunate that the majority of our shareholders share in our long-term outlook and take the time and effort to get to know our team and build a deep knowledge base on our operations – we consider you our business partners, and the conversations we have with you help influence our thinking. Thank you for your continuing support and your confidence and trust in our team.

The Company's success has been fuelled by the significant contributions from our leadership team and our talented workforce, to whom I remain exceptionally grateful for their outstanding contributions to Altus Group. It is their hard work, alignment with our strategy, and their trusted relationships with our clients that enable us to deliver on our potential. We truly have the best people working at Altus Group – intelligent, driven, experienced and ethical – who have collectively shaped our culture to be entrepreneurial in spirit, with strong accountability, high integrity and professionalism in practice. I would also like to express my appreciation to our Board of Directors for their continued guidance and ongoing support. The composition of our Board has evolved in recent years and suits the Company's strategic direction, providing the ideal mix of industry knowledge, diversity, international experience and financial expertise, as well as a good range of ages and tenures. Together, we remain committed to increasing value for all of our stakeholders by continuing to generate the sustainable, profitable returns you justly expect from us.

As I write this letter, our global economy is being impacted by COVID-19, bringing on profound changes for businesses, the way we work, our personal lives and society in general. We remain fully committed to help our clients, employees and other stakeholders during this difficult time, and take comfort in the strength of our business model that will help us weather this challenging time. We will continue to keep you posted on potential business impacts during this rapidly changing environment.

Lastly, we recognize the importance investors place on the environmental, social and governance (ESG) aspects of our business. For us, ESG matters have always been cornerstones of our strategy and corporate culture that contribute to our success and long-term financial sustainability. We invite you to review the ESG information on our website and related filings to learn more about the policies, practices and programs at Altus.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Courteau".

Robert Courteau,  
Chief Executive Officer, Altus Group

*Altus Group uses certain non-GAAP measures (such as Adjusted EBITDA, Adjusted EBITDA margins, Adjusted EPS, recurring revenues, and TSR) as indicators of financial and operational performance. More information on these non-GAAP measures is provided in our Annual Report. Certain information in this Letter may constitute "forward-looking information" within the meaning of applicable securities legislation. Additionally, certain information in this Letter may be considered as "financial outlook" within the meaning of applicable securities legislation including the outlook for Property Tax and long-term revenue and expected Adjusted EBITDA margin 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. Please refer to the Company's Annual Report for the disclaimer related to Forward-Looking Information.*