Altus Group Reports Second Quarter 2020 Financial Results

Posts Record Quarter, Highest Revenue and Earnings Performance in History

TORONTO (August 12, 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 second quarter ended June 30, 2020.

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 was classified as discontinued operations and contributed into our investment in the GeoVerra Inc. ("GeoVerra") joint venture.

Second Quarter 2020 Summary:

- Consolidated revenues were $155.5 million, up 8.6%
- Consolidated profit from continuing operations, in accordance with IFRS, was $11.3 million, down 10.9% reflecting the impact of a global restructuring program
- Consolidated earnings per share from continuing operations, in accordance with IFRS, was $0.28, basic and diluted, compared to $0.32, basic and diluted
- Consolidated Adjusted EBITDA[1] was $34.9 million, up 16.2%
- Adjusted earnings per share[2] ("Adjusted EPS") from continuing operations was $0.62, compared to $0.51
- Altus Analytics revenues increased 2.3% to $51.3 million and Adjusted EBITDA[1] was down 13.9% to $9.7 million
- Altus Analytics Over Time[3] revenues (*new metric for recurring revenues, as defined below*) grew 18.3% to $42.8 million
- CRE Consulting revenues grew 12.0% to $104.3 million and Adjusted EBITDA[1] increased by 16.5% to $37.3 million, driven by record Property Tax performance
- The previously announced transaction to divest of the Company's Geomatics business into a joint venture structure with WSP Global Inc. closed and launched as GeoVerra
- Bank debt was $160.0 million (representing a funded debt to EBITDA leverage ratio of 1.65 times) and cash and cash equivalents was $74.1 million

"While our company and industry continue to navigate a challenging external environment, Altus Group posted the highest quarterly revenue and earnings in our history demonstrating that our core business is solid and resilient," said Robert Courteau, Chief Executive Officer at Altus Group. "The need for insights and transparency into CRE performance is heightened substantially in today's operating environment, reinforcing the demand for our mission critical solutions and expert advisory."

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 the Company's Geomatics business has been classified as discontinued operations and contributed into the GeoVerra joint venture, it is not included in the current and comparative period consolidated results from continuing operations.

CONSOLIDATED	Three months ended June 30,			Six months ended June 30,		
In thousands of dollars	**2020**	2019	% Change	**2020**	2019	% Change
Revenues	$ 155,470	$ 143,131	8.6%	$ 286,726	$ 260,479	10.1%
Adjusted EBITDA[1]	$ 34,899	$ 30,036	16.2%	$ 48,147	$ 43,593	10.4%
Adjusted EBITDA[1] Margin	22.4%	21.0%		16.8%	16.7%	
Profit (loss) from continuing operations	$11,333	$12,719		$13,090	$13,175	
Earnings (loss) per share from continuing operations:						
Basic	$0.28	$0.32		$0.33	$0.34	
Diluted	$0.28	$0.32		$0.32	$0.33	
Adjusted	$0.62	$0.51		$0.82	$0.74	
Dividends declared per share	$0.15	$0.15		$0.30	$0.30	

Altus Analytics	Three months ended June 30,			Six months ended June 30,		
In thousands of dollars	**2020**	2019	% Change	**2020**	2019	% Change
Revenues	$ 51,296	$ 50,163	2.3%	$ 103,015	$ 96,944	6.3%
Adjusted EBITDA[1]	$ 9,651	$ 11,206	(13.9%)	$ 18,923	$ 21,027	(10.0%)
Adjusted EBITDA[1] Margin	18.8%	22.3%		18.4%	21.7%	
Selected Metrics*						
Over Time[3] revenues	$ 42,756	$ 36,150	18.3%	$ 82,839	$ 70,324	17.8%
AE software maintenance retention rate[4]	95%	97%		96%	96%	
Geographical revenue split:						
North America	83%	80%		83%	80%	
International	17%	20%		17%	20%	
Cloud adoption rate[5] (as at end of period)				8%	n/a	

*Refer to the definitions below or on pages 3 and 4 of the MD&A for the quarter ended June 30, 2020

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

CRE Consulting	Three months ended June 30,			Six months ended June 30,		
In thousands of dollars	**2020**	2019	% Change	**2020**	2019	% Change
Revenues						
Property Tax	$ 76,874	$ 65,288	17.7%	$ 129,470	$ 109,986	17.7%
Valuation and Cost Advisory	27,379	27,778	(1.4%)	54,394	53,753	1.2%
Revenues	$ 104,253	$ 93,066	12.0%	$ 183,864	$ 163,739	12.3%
Adjusted EBITDA[1]						
Property Tax	$ 33,954	$ 28,516	19.1%	$ 44,518	$ 38,114	16.8%
Valuation and Cost Advisory	3,318	3,485	(4.8%)	6,095	5,985	1.8%
Adjusted EBITDA[1]	$ 37,272	$ 32,001	16.5%	$ 50,613	$ 44,099	14.8%
Adjusted EBITDA[1] Margin	35.8%	34.4%		27.5%	26.9%	

Q2 2020 Review

On a consolidated basis, revenues grew 8.6% year-over-year to $155.5 million and adjusted EBITDA[1] increased 16.2% to $34.9 million. Exchange rate movements against the Canadian dollar, namely the U.S. and U.K. currencies, benefitted consolidated revenues by 1.2% and adjusted EBITDA[1] by 1.6%. Acquisitions represented 2.6% of the 8.6% revenue growth in the second quarter.

Consolidated profit from continuing operations, in accordance with IFRS, was $11.3 million compared to $12.7 million in the same period in 2019, impacted primarily by costs related to a global restructuring program, offset by lower amortization of some historical acquisition-related intangibles and lower interest related to bank credit facilities. Profit from continuing operations was $0.28 per share basic and diluted, compared to $0.32 per share basic and diluted in the same period in 2019.

In the second quarter the Company initiated a global restructuring program across all of its business segments which resulted in one-time restructuring costs of $7.5 million of which $3.9 million related to Altus Analytics and the balance to CRE Consulting and Corporate segments. These costs relate primarily to employee severance costs. Although the program is primarily complete, some additional charges are expected in the third and fourth quarters due to timing considerations. The restructuring was planned as part of the Company's strategy to continue to focus and invest in technology and information services platforms.

Adjusted EPS[2] was $0.62, compared to $0.51 in the second quarter of 2019.

Altus Analytics revenues increased 2.3% to $51.3 million, of which Over Time[3] revenues (*a recently introduced metric, as defined below*) grew 18.3% organically to $42.8 million. The acquisition of One11 contributed $3.6 million of revenues. Adjusted EBITDA[1] was down 13.9% to $9.7 million. Changes in foreign exchange benefitted revenues by 2.4% and Adjusted EBITDA[1] by 2.8%.

- The second quarter of 2020 reflects a full shift to a subscription model with Over Time[3] revenues, compared to the prior year which still included a hybrid sales model with both subscription and upfront perpetual license revenues. Although the new sales model change creates a stronger long-term economic model, the transition negatively impacts overall revenue growth in the first year of transition but has a positive effect on Over Time revenues. Overall revenue growth is proceeding as expected given the transition to full subscription.

- The quarter benefitted from strong growth in Over Time[3] revenues driven by higher subscription license and Appraisal Management revenues, as well as the acquisition of One11. As expected, the growth was offset by a decline in perpetual license revenues related to the transition, as well as a year-over-year decline in organic software training and consulting services revenues as client priorities shifted during the COVID-19 pandemic and as in-person meetings continue to be restricted.

- The Company's subscription license sales were healthy in the quarter, although as anticipated the timing of completing certain transactions and software inside sales volumes focused on the small-to-medium businesses were impacted by the pandemic. Overall, Altus Group continued to benefit from add-on sales to existing customers, new license sales and cloud migrations.

- 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 second quarter, 8% of the Company's total ARGUS Enterprise 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, partly offset by operating cost savings due to the impacts of the pandemic reducing travel and conference related costs.

CRE Consulting revenues increased 12.0% to $104.3 million and Adjusted EBITDA[1] increased 16.5% to $37.3 million, driven primarily by record performance at Property Tax. Changes in exchange rates benefitted CRE Consulting revenues by 0.6% and Adjusted EBITDA[1] by 0.5%.

- Property Tax revenues increased 17.7% to $76.9 million and Adjusted EBITDA[1] increased 19.1% to $34.0 million, setting a new historic record for highest quarterly revenues and earnings. The record Property Tax performance benefitted from double-digit revenue growth in the U.K. and Canada. In the U.K. the cyclical/seasonal annuity billing[6] was a significant contributor, representing $15.0 million in revenues (compared to $9.9 million in the second quarter of 2019), the increase reflecting higher cumulative number of the 2017 cycle cases settled. While strong, the U.K. annuity billing was impacted by a COVID-19 subsidy program which eliminated 2020 ratings for companies in the hospitality, leisure and retail sectors and therefore the Company was not able to invoice clients in those sectors as savings achieved in a prior year no longer existed for 2020. Canada benefitted from increased case settlements in Ontario that were at more regular levels compared to the prior year, as well as strong performance in Montreal and Manitoba as they hit the peaks of their 3-year and 2-year cycles respectively. Consistent with seasonal patterns, the U.S. had a very productive quarter in building its pipeline that is expected to benefit future quarters.

- Valuation and Cost Advisory revenues declined moderately by 1.4% to $27.4 million and Adjusted EBITDA[1] was down 4.8% to $3.3 million, impacted by reduced transaction activity in the Valuation business, although the Canadian Cost business was up year over year.

- CRE Consulting Adjusted EBITDA[1] improvement was driven by the record revenue performance at Property Tax, partly offset by compensation for increased headcount to grow the U.S. and U.K. Property Tax businesses.

Corporate Costs were $12.0 million, compared to $13.2 million in the same period in 2019. Corporate costs declined as the Company had incurred one-time professional advisory fees related to strategic initiatives in the prior year, as well as lower travel and office related expenditures in the current year.

Altus Group's balance sheet remains healthy, reinforcing the Company's financial flexibility to pursue its growth strategy. At the end of the second quarter, bank debt stood at $160.0 million, representing a funded debt to EBITDA leverage ratio of 1.65 times (well below its maximum limit of 4.00 times) and cash and cash equivalents was $74.1 million.

Q2 2020 Results Conference Call & Webcast

Date:	Wednesday, August 12, 2020
Time:	5:00 p.m. (ET)
Webcast:	altusgroup.com (under Investor Relations)
Live Call:	1-800-273-9672 (toll-free North America) or 416-340-2216 (Toronto area)
Confirmation #:	4332681 (*please reference this number when speaking with the operator to connect to the 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 Commercial Real Estate Consulting, 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 2,200 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 and the launch of GeoVerra, to adjust for profit (loss) from discontinued operations and share of profit (loss) of joint venture.*

[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 and the launch of GeoVerra, to adjust for profit (loss) from discontinued operations and share of profit (loss) of joint venture.*

[3]***Over Time revenues****, a metric introduced in the first quarter of 2020 to replace 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.*

[6]***Annuity billing*** *was implemented in 2018 in the U.K. Property Tax division, which takes place every second quarter annually, excluding the first year of a new cycle; the revenues of the annuity invoicing grow cumulatively over the cycle as more cases are settled and as the volume of billable clients increases concurrent with case settlements.*

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 joint venture, 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 discontinued operations and the launch of GeoVerra, the measurement of Adjusted EBITDA has been modified to reflect adjustments for: profit (loss) from discontinued operations and share of (profit) loss of joint venture. Adjusted EBITDA margin represents the percentage factor of Adjusted EBITDA to revenues.

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 losses (gains), (gains) losses on disposal of property, plant and equipment and intangibles, non-cash Equity Compensation Plan and Long-Term Equity Incentive Plan costs, losses (gains) 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), losses (gains) on investments, share of (profit) loss of joint venture, 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 discontinued operations and the launch of GeoVerra, the measurement of Adjusted EPS has been modified to reflect adjustments for: profit (loss) from discontinued operations and share of (profit) loss of joint venture. 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.*

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 the Property Tax business 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.

The COVID-19 pandemic has cast additional uncertainty on each of these factors and assumptions. There can be no assurance that they will continue to be valid. Given the rapid pace of change with respect to the impact of the COVID-19 pandemic, it is premature to make further assumptions about these matters. The duration, extent and severity of the impact the COVID-19 pandemic, including measures to prevent its spread, will have on the Company's business is uncertain and difficult to predict at this time.

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 may actually have on our business or the business of our potential and current clients; a decline in the demand for our products and services due to the COVID-19 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 well as those described in this press release and our annual publicly filed documents, including the Annual Information Form for the year ended December 31, 2019 (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 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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Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
For the Three and Six Months Ended June 30, 2020 and 2019
(Unaudited)

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

	Three months ended June 30		Six months ended June 30	
	2020	2019	**2020**	2019
Revenues	**$ 155,470**	$ 143,131	**$ 286,726**	$ 260,479
Expenses				
Employee compensation	**92,638**	83,455	**180,993**	163,007
Occupancy	**1,914**	1,889	**3,985**	3,508
Office and other operating	**26,361**	25,849	**53,243**	47,506
Depreciation of right-of-use assets	**2,814**	3,041	**5,686**	6,317
Depreciation of property, plant and equipment	**1,404**	1,208	**2,727**	2,669
Amortization of intangibles	**6,481**	7,370	**12,875**	15,325
Acquisition and related transition costs (income)	**-**	171	**(1,176)**	153
Share of (profit) loss of joint venture	**(8)**	-	**(8)**	-
Restructuring costs (recovery)	**7,480**	(296)	**7,455**	(296)
(Gain) loss on investments	**35**	12	**(90)**	(95)
Finance costs (income), net - leases	**631**	668	**1,291**	1,355
Finance costs (income), net - other	**1,080**	1,718	**2,587**	3,368
Profit (loss) from continuing operations before income taxes	**14,640**	18,046	**17,158**	17,662
Income tax expense (recovery)	**3,307**	5,327	**4,068**	4,487
Profit (loss) for the period from continuing operations	**$ 11,333**	$ 12,719	**$ 13,090**	$ 13,175
Profit (loss) for the period from discontinued operations	**266**	602	**(5,170)**	(289)
Profit (loss) for the period attributable to shareholders	**$ 11,599**	$ 13,321	**$ 7,920**	$ 12,886
Other comprehensive income (loss):				
Items that may be reclassified to profit or loss in subsequent periods:				
Currency translation differences	**(12,994)**	(7,820)	**8,672**	(12,894)
Items that are not reclassified to profit or loss in subsequent periods:				
Change in fair value of FVOCI investments	**263**	1,297	**(987)**	1,171
Other comprehensive income (loss), net of tax	**(12,731)**	(6,523)	**7,685**	(11,723)
Total comprehensive income (loss) for the period, net of tax, attributable to shareholders	**$ (1,132)**	$ 6,798	**$ 15,605**	$ 1,163
Earnings (loss) per share attributable to the shareholders of the Company during the period				
Basic earnings (loss) per share:				
Continuing operations	**$0.28**	$0.32	**$0.33**	$0.34
Discontinued operations	**$0.01**	$0.02	**$(0.13)**	$(0.01)
Diluted earnings (loss) per share:				
Continuing operations	**$0.28**	$0.32	**$0.32**	$0.33
Discontinued operations	**$0.01**	$0.02	**$(0.13)**	$(0.01)

Interim Condensed Consolidated Balance Sheets
As at June 30, 2020 and December 31, 2019
(Unaudited)

(Expressed in Thousands of Canadian Dollars)

		June 30, 2020		December 31, 2019
Assets				
Current assets				
Cash and cash equivalents	$	74,066	$	60,262
Trade receivables and other		198,047		181,955
Income taxes recoverable		5,111		2,403
Derivative financial instruments		1,685		1,449
		278,909		246,069
Non-current assets				
Trade receivables and other		1,417		3,696
Derivative financial instruments		6,174		5,975
Investments		10,884		11,481
Investment in joint venture		14,858		-
Deferred tax assets		22,733		22,163
Right-of-use assets		55,991		63,729
Property, plant and equipment		22,043		29,037
Intangibles		81,764		92,595
Goodwill		261,455		260,380
		477,319		489,056
Total Assets	$	756,228	$	735,125
Liabilities				
Current liabilities				
Trade payables and other	$	119,426	$	128,566
Income taxes payable		7,836		4,548
Lease liabilities		10,868		12,564
Borrowings		-		137,929
		138,130		283,607
Non-current liabilities				
Trade payables and other		15,819		16,197
Lease liabilities		57,145		63,419
Borrowings		159,346		334
Deferred tax liabilities		12,360		11,916
		244,670		91,866
Total Liabilities		382,800		375,473
Shareholders' Equity				
Share capital		520,489		509,646
Contributed surplus		23,927		24,447
Accumulated other comprehensive income (loss)		47,930		40,245
Retained earnings (deficit)		(218,918)		(214,686)
Total Shareholders' Equity		373,428		359,652
Total Liabilities and Shareholders' Equity	$	756,228	$	735,125

Interim Condensed Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Six months ended June 30	
	2020	2019
Cash flows from operating activities		
Profit (loss) before income taxes from continuing operations	**$ 17,158**	$ 17,662
Profit (loss) before income taxes from discontinued operations	**(5,170)**	(289)
Profit (loss) before income taxes	**$ 11,988**	$ 17,373
Adjustments for:		
Depreciation of right-of-use assets	**5,738**	6,949
Depreciation of property, plant and equipment	**2,838**	3,597
Amortization of intangibles	**12,876**	15,772
Finance costs (income), net - leases	**1,356**	1,445
Finance costs (income), net - other	**2,576**	3,368
Share-based compensation	**6,342**	4,715
Unrealized foreign exchange (gain) loss	**64**	1,127
(Gain) loss on investments	**(90)**	(95)
(Gain) loss on disposal of property, plant and equipment and intangibles	**24**	292
(Gain) loss on equity derivatives and interest rate swaps	**(573)**	(4,069)
Share of (profit) loss of joint venture	**(8)**	-
Impairment charge - leases	**36**	-
Fair value loss (gain) on net assets directly associated with discontinued operations	**5,224**	-
(Gain) loss on sale of the discontinued operations	**(483)**	-
Net changes in operating working capital	**(30,585)**	(35,803)
Net cash generated by (used in) operations	**17,323**	14,671
Less: interest paid on borrowings	**(2,138)**	(2,360)
Less: interest paid on leases	**(1,356)**	(1,445)
Less: income taxes paid	**(4,559)**	(7,508)
Add: income taxes refunded	**639**	1,774
Net cash provided by (used in) operating activities	**9,909**	5,132
Cash flows from financing activities		
Proceeds from exercise of options	**7,053**	1,069
Financing fees paid	**(553)**	-
Proceeds from borrowings	**38,135**	21,600
Repayment of borrowings	**(16,264)**	(831)
Payments of principal on lease liabilities	**(7,604)**	(5,654)
Dividends paid	**(11,320)**	(8,384)
Treasury shares purchased under the Restricted Share Plan	**(4,017)**	(4,268)
Net cash provided by (used in) financing activities	**5,430**	3,532
Cash flows from investing activities		
Purchase of investments	**(181)**	(525)
Cash contribution to investment in joint venture	**(1,150)**	-
Purchase of intangibles	**(66)**	(149)
Purchase of property, plant and equipment	**(1,660)**	(2,405)
Proceeds from disposal of property, plant and equipment and intangibles	**96**	70
Net cash provided by (used in) investing activities	**(2,961)**	(3,009)
Effect of foreign currency translation	**1,426**	(2,834)
Net increase (decrease) in cash and cash equivalents	**13,804**	2,821
Cash and cash equivalents, beginning of period	**60,262**	48,738
Cash and cash equivalents, end of period	**$ 74,066**	$ 51,559