Altus Group

Altus Group Reports Third Quarter 2020 Financial Results

Sustained Strength at Property Tax and Double-Digit Growth in Altus Analytics Over Time Revenues

TORONTO (November 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 third quarter ended September 30, 2020.

All amounts are in Canadian dollars and percentages are in comparison to the same period in 2019.

Third Quarter 2020 Summary:

- Consolidated revenues were $135.0 million, up 6.4%
- Consolidated profit from continuing operations, in accordance with IFRS, was $9.3 million, up 102.2%
- Consolidated earnings per share from continuing operations, in accordance with IFRS, was $0.23 per share basic and $0.22 per share diluted, compared to $0.12 and $0.11, respectively
- Consolidated Adjusted EBITDA[1] was $24.0 million, up 28.0%
- Adjusted earnings per share[2] ("Adjusted EPS") from continuing operations was $0.40, compared to $0.28
- Altus Analytics Over Time[3] revenues grew 12.3% to $41.4 million (total Altus Analytics revenues decreased by 2.5% to $49.2 million while Adjusted EBITDA[1] increased by 6.8% to $11.1 million)
- CRE Consulting revenues grew 12.3% to $85.8 million and Adjusted EBITDA[1] increased by 33.5% to $24.8 million, driven by 18.2% revenue and 36.8% Adjusted EBITDA growth at Property Tax
- Bank debt was $153.5 million (representing a funded debt to EBITDA leverage ratio of 1.49 times) and cash and cash equivalents was $91.1 million

"As the CRE industry continues to navigate through a challenging external environment, our mission critical solutions and core services are driving significant client value in enabling our customers to better analyze, gain insight and recognize value of their real estate investments," said Mike Gordon, Chief Executive Officer at Altus Group. "This is reflected in our steady topline growth, while our focus on operational improvements is contributing to earnings growth and an improvement in our operating margins. Looking out, we remain well positioned to deliver on long term growth through the execution of our strategy at both our Altus Analytics and CRE Consulting segments."

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 Sept. 30,			Nine months ended Sept. 30,		
In thousands of dollars	**2020**	2019	% Change	**2020**	2019	% Change
Revenues	$ 134,950	$ 126,787	6.4%	$ 421,676	$ 387,266	8.9%
Adjusted EBITDA[1]	$ 24,047	$ 18,785	28.0%	$ 72,194	$ 62,378	15.7%
Adjusted EBITDA[1] Margin	17.8%	14.8%		17.1%	16.1%	
Profit (loss) from continuing operations	$ 9,297	$ 4,598		$ 22,387	$ 17,773	
Earnings (loss) per share from continuing operations:						
Basic	$0.23	$0.12		$0.56	$0.45	
Diluted	$0.22	$0.11		$0.54	$0.45	
Adjusted	$0.40	$0.28		$1.23	$1.02	
Dividends declared per share	$0.15	$0.15		$0.45	$0.45	

Altus Analytics	Three months ended Sept. 30,			Nine months ended Sept. 30,		
In thousands of dollars	**2020**	2019	% Change	**2020**	2019	% Change
Revenues	$ 49,177	$ 50,426	(2.5%)	$ 152,192	$ 147,370	3.3%
Adjusted EBITDA[1]	$ 11,136	$ 10,430	6.8%	$ 30,059	$ 31,457	(4.4%)
Adjusted EBITDA[1] Margin	22.6%	20.7%		19.8%	21.3%	
Selected Metrics*						
Over Time[3] revenues	$ 41,371	$ 36,824	12.3%	$ 124,411	$ 107,065	16.2%
AE software maintenance retention rate[4]	94%	97%		95%	97%	
Geographical revenue split:						
North America	81%	73%		83%	68%	
International	19%	27%		17%	32%	
Cloud adoption rate[5] (as at end of period)				10%	n/a	

*Refer to the definitions below or on pages 3 and 4 of the MD&A for the quarter ended Sept. 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 $38.8 million in the fourth quarter of 2019.

CRE Consulting	Three months ended Sept. 30,			Nine months ended Sept. 30,		
In thousands of dollars	**2020**	2019	% Change	**2020**	2019	% Change
Revenues						
Property Tax	$ 58,215	$ 49,263	18.2%	$ 187,685	$ 159,249	17.9%
Valuation and Cost Advisory	27,634	27,183	1.7%	82,028	80,936	1.3%
Revenues	$ 85,849	$ 76,446	12.3%	$ 269,713	$ 240,185	12.3%
Adjusted EBITDA[1]						
Property Tax	$ 20,201	$ 14,766	36.8%	$ 64,719	$ 52,880	22.4%
Valuation and Cost Advisory	4,604	3,812	20.8%	10,699	9,797	9.2%
Adjusted EBITDA[1]	$ 24,805	$ 18,578	33.5%	$ 75,418	$ 62,677	20.3%
Adjusted EBITDA[1] Margin	28.9%	24.3%		28.0%	26.1%	

Q3 2020 Review

On a consolidated basis, revenues grew 6.4% year-over-year to $135.0 million and Adjusted EBITDA[1] increased 28.0% to $24.0 million, all organic. Exchange rate movements against the Canadian dollar, namely the U.S. and U.K. currencies, benefitted consolidated revenues by 1.8% and Adjusted EBITDA[1] by 2.9%.

Consolidated profit from continuing operations, in accordance with IFRS, was $9.3 million, up 102.2% from $4.6 million in the same period in 2019. In addition to the higher Adjusted EBITDA performance, profits from continuing operations improved as a result of lower amortization of some historical acquisition-related intangibles, lower interest related to the Company's bank credit facilities, and its share of profit (loss) in the GeoVerra joint venture, offset by costs related to the Company's global restructuring program. Profit from continuing operations was $0.23 per share basic and $0.22 per share diluted, compared to $0.12 per share basic and $0.11 per share diluted in the same period in 2019.

The global restructuring program that was initiated in the second quarter of 2020 resulted in one-time restructuring costs of $1.2 million incurred in the third quarter, relating primarily to employee severance costs. Management expects some additional charges in the fourth quarter. 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 $0.40, compared to $0.28 in the third quarter of 2019.

Altus Analytics revenues decreased 2.5% to $49.2 million, however Over Time[3] revenues grew 12.3% to $41.4 million. Adjusted EBITDA[1] was up 6.8% to $11.1 million. Changes in foreign exchange benefitted revenues by 1.7% and Adjusted EBITDA[1] by 1.1%. Sequentially, Over Time revenues declined by 3.2% mainly as a result of an impact of 3.9% from exchange rate movements against the Canadian dollar.

- The third 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 transition period but has a positive effect on Over Time revenues.

- The healthy growth in Over Time revenues benefitted from higher subscription license and Appraisal Management revenues, supported by healthy growth in Canadian data solutions and stable software maintenance revenues. Total revenues in the third quarter continued to be impacted by the expected decline in perpetual license revenues resulting from the transition, as well as the ongoing impact of the COVID-19 pandemic as the industry continues to adapt and refocus to a changed operating environment. The pandemic has primarily impacted Altus Analytics' point in time revenue streams such as software consulting and training services but is also impacting the timing of completing larger transactions and overall software sales volumes focused on the small-to-medium businesses ("SMB"). Notwithstanding this impact, software subscription license sales were healthy in the quarter as the Company continued to benefit from add-on sales to existing customers, new license sales and cloud migrations. Additionally, the Company continues to benefit from sustained demand for its Appraisal Management solutions as many of its existing clients expand their engagement by adding more assets on the Altus platform or launch new funds, and by adding new clients in the U.S. and internationally.

- The transition to ARGUS Enterprise ("AE") to cloud subscriptions continues to progress despite some of the impact brought on by the pandemic. In the third quarter, there was healthy momentum in migrating existing customers from the on-premise product and selling AE cloud to new customers, which continues to be SMB-driven though the Company is seeing larger customers initiate their move to Cloud. As at the end of the third quarter, 10% of Company's total AE user base had been contracted on ARGUS Cloud.

- Adjusted EBITDA[1] performance improved but 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 reduced travel and conference related costs.

CRE Consulting revenues increased 12.3% to $85.8 million and Adjusted EBITDA[1] increased 33.5% to $24.8 million driven by continued growth at Property Tax. Changes in exchange rates benefitted CRE Consulting revenues by 1.9% and Adjusted EBITDA[1] by 2.4%.

- Property Tax revenues increased 18.2% to $58.2 million and Adjusted EBITDA[1] increased 36.8% to $20.2 million, benefitting from double-digit revenue growth in the U.K. and the U.S. In the U.K., the increase reflects the higher number of the 2017 cycle cases settled as there was continued improvements in available resources from the government to help reduce the case backlog. In the U.S., a number of backlogged cases in Texas (one of the business' largest U.S. markets) were settled after COVID-19 related delays in the second quarter. In addition, both in the U.K. and U.S. some case settlements expected in the fourth quarter were completed in the third quarter. In Canada, the business was impacted by a temporary slowdown of settlement volumes in Ontario (its biggest Canadian market) resulting from COVID-19-related delays, as well as weaker year over year comparative performance in Manitoba and Alberta which were more favourably positioned in their respective cycles in the prior year.

- Valuation and Cost Advisory revenues were up modestly by 1.7% to $27.6 million and Adjusted EBITDA[1] improved by 20.8% to $4.6 million, reflecting improved revenues mainly from the Canadian Cost business, and steady performance in the Valuation business.

- The increase in CRE Consulting Adjusted EBITDA[1] resulted from the strong revenue increases in the Property Tax business, partly offset by compensation for increased headcount to continue growing the U.S. and U.K. Property Tax businesses. To offset the credit risk introduced by COVID-19, the Company recorded additional provisions on its trade receivables and unbilled revenue balances.

Corporate Costs were $11.9 million, compared to $10.2 million in the same period in 2019. Corporate costs increased on higher accrual of variable compensation and professional advisory fees, partly offset by lower travel and office related expenditures. In the first three quarters of the year, variable compensation costs for the business units are accrued in the Corporate segment, subject to the overall finalization at year-end. In the fourth quarter, the accrued costs are allocated to the business units.

Altus Group's balance sheet remains healthy, reinforcing the Company's financial flexibility to pursue its growth strategy. At the end of the third quarter, bank debt stood at $153.5 million, representing a funded debt to EBITDA leverage ratio of 1.49 times (well below its maximum limit of 4.00 times) and cash and cash equivalents was $91.1 million.

Q3 2020 Results Conference Call & Webcast	
Date:	Thursday, November 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 #:	4343347 (please reference this number to connect to the live call)
Replay:	available via 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, Appraisal Management revenues, and data subscription 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. In 2021, the Company plans to update the software retention metric to also include AE subscription revenues as by that point there will be a meaningful number of subscriptions that 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 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 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. 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 Nine Months Ended September 30, 2020 and 2019
(Unaudited)

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

	Three months ended September 30		Nine months ended September 30	
	2020	2019	**2020**	2019
Revenues	**$ 134,950**	$ 126,787	**$ 421,676**	$ 387,266
Expenses				
Employee compensation	**84,889**	78,287	**265,882**	241,294
Occupancy	**1,712**	1,811	**5,697**	5,319
Office and other operating	**23,383**	25,243	**76,626**	72,749
Depreciation of right-of-use assets	**2,818**	3,021	**8,504**	9,338
Depreciation of property, plant and equipment	**1,451**	1,482	**4,178**	4,151
Amortization of intangibles	**5,840**	7,746	**18,715**	23,071
Acquisition and related transition costs (income)	**72**	85	**(1,104)**	238
Share of (profit) loss of joint venture	**(442)**	-	**(450)**	-
Restructuring costs (recovery)	**1,155**	-	**8,610**	(296)
(Gain) loss on investments	**68**	(63)	**(22)**	(158)
Finance costs (income), net - leases	**619**	672	**1,910**	2,027
Finance costs (income), net - other	**835**	1,768	**3,422**	5,136
Profit (loss) from continuing operations before income taxes	**12,550**	6,735	**29,708**	24,397
Income tax expense (recovery)	**3,253**	2,137	**7,321**	6,624
Profit (loss) for the period from continuing operations	**$ 9,297**	$ 4,598	**$ 22,387**	$ 17,773
Profit (loss) for the period from discontinued operations	**(130)**	438	**(5,300)**	149
Profit (loss) for the period attributable to shareholders	**$ 9,167**	$ 5,036	**$ 17,087**	$ 17,922
Other comprehensive income (loss):				
Items that may be reclassified to profit or loss in subsequent periods:				
Currency translation differences	**(250)**	(1,296)	**8,422**	(14,190)
Items that are not reclassified to profit or loss in subsequent periods:				
Change in fair value of FVOCI investments	**-**	566	**(987)**	1,737
Other comprehensive income (loss), net of tax	**(250)**	(730)	**7,435**	(12,453)
Total comprehensive income (loss) for the period, net of tax, attributable to shareholders	**$ 8,917**	$ 4,306	**$ 24,522**	$ 5,469
Earnings (loss) per share attributable to the shareholders of the Company during the period				
Basic earnings (loss) per share:				
Continuing operations	**$0.23**	$0.12	**$0.56**	$0.45
Discontinued operations	**$0.00**	$0.01	**$(0.13)**	$0.00
Diluted earnings (loss) per share:				
Continuing operations	**$0.22**	$0.11	**$0.54**	$0.45
Discontinued operations	**$0.00**	$0.01	**$(0.13)**	$0.00

Interim Condensed Consolidated Balance Sheets
As at September 30, 2020 and December 31, 2019
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	September 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	$ **91,110**	$ 60,262
Trade receivables and other	**189,482**	181,955
Income taxes recoverable	**3,209**	2,403
Derivative financial instruments	**3,102**	1,449
	286,903	246,069
Non-current assets		
Trade receivables and other	**1,284**	3,696
Derivative financial instruments	**10,987**	5,975
Investments	**10,703**	11,481
Investment in joint venture	**15,300**	-
Deferred tax assets	**22,136**	22,163
Right-of-use assets	**53,765**	63,729
Property, plant and equipment	**21,533**	29,037
Intangibles	**75,865**	92,595
Goodwill	**261,499**	260,380
	473,072	489,056
Total Assets	$ **759,975**	$ 735,125
Liabilities		
Current liabilities		
Trade payables and other	$ **118,710**	$ 128,566
Income taxes payable	**6,848**	4,548
Lease liabilities	**11,496**	12,564
Borrowings	**-**	137,929
	137,054	283,607
Non-current liabilities		
Trade payables and other	**17,926**	16,197
Lease liabilities	**54,413**	63,419
Borrowings	**152,864**	334
Deferred tax liabilities	**10,618**	11,916
	235,821	91,866
Total Liabilities	**372,875**	375,473
Shareholders' Equity		
Share capital	**527,687**	509,646
Contributed surplus	**27,589**	24,447
Accumulated other comprehensive income (loss)	**47,680**	40,245
Retained earnings (deficit)	**(215,856)**	(214,686)
Total Shareholders' Equity	**387,100**	359,652
Total Liabilities and Shareholders' Equity	$ **759,975**	$ 735,125

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

	Nine months ended September 30	
	2020	2019
Cash flows from operating activities		
Profit (loss) before income taxes from continuing operations	$ **29,708**	$ 24,397
Profit (loss) before income taxes from discontinued operations	**(5,300)**	149
Profit (loss) before income taxes	$ **24,408**	$ 24,546
Adjustments for:		
Depreciation of right-of-use assets	**8,556**	10,222
Depreciation of property, plant and equipment	**4,289**	5,585
Amortization of intangibles	**18,716**	23,525
Finance costs (income), net - leases	**1,975**	2,160
Finance costs (income), net - other	**3,408**	5,136
Share-based compensation	**12,140**	7,277
Unrealized foreign exchange (gain) loss	**(217)**	1,379
(Gain) loss on investments	**(22)**	(158)
(Gain) loss on disposal of property, plant and equipment and intangibles	**69**	342
(Gain) loss on equity derivatives and interest rate swaps	**(6,803)**	(7,810)
Share of (profit) loss of joint venture	**(450)**	-
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	**(19,449)**	(27,732)
Net cash generated by (used in) operations	**51,397**	44,472
Less: interest paid on borrowings	**(2,898)**	(3,800)
Less: interest paid on leases	**(1,975)**	(2,160)
Less: income taxes paid	**(9,249)**	(12,848)
Add: income taxes refunded	**2,331**	2,761
Net cash provided by (used in) operating activities	**39,606**	28,425
Cash flows from financing activities		
Proceeds from exercise of options	**11,317**	6,366
Financing fees paid	**(710)**	-
Proceeds from borrowings	**38,135**	21,600
Repayment of borrowings	**(22,765)**	(4,848)
Payments of principal on lease liabilities	**(10,974)**	(8,732)
Dividends paid	**(16,628)**	(13,621)
Treasury shares purchased under the Restricted Share Plan	**(4,017)**	(5,353)
Net cash provided by (used in) financing activities	**(5,642)**	(4,588)
Cash flows from investing activities		
Purchase of investments	**(259)**	(620)
Cash contribution to investment in joint venture	**(1,190)**	-
Purchase of intangibles	**(66)**	(149)
Purchase of property, plant and equipment	**(2,648)**	(4,610)
Proceeds from disposal of property, plant and equipment and intangibles	**96**	102
Acquisitions, net of cash acquired	**-**	(11,654)
Net cash provided by (used in) investing activities	**(4,067)**	(16,931)
Effect of foreign currency translation	**951**	370
Net increase (decrease) in cash and cash equivalents	**30,848**	7,276
Cash and cash equivalents, beginning of period	**60,262**	48,738
Cash and cash equivalents, end of period	$ **91,110**	$ 56,014