

Altus Group Enters into Agreement to Purchase SitusAMC's Commercial Real Estate Valuation Services Business

Building Scale with Valuation Offering for CRE Investors

TORONTO (November 9, 2023) – Altus Group Limited ("Altus Group" or the "Company") (TSX: AIF), a leading provider of asset and fund intelligence for commercial real estate ("CRE"), announced today that it signed a definitive agreement to acquire the commercial real estate valuation and advisory services business of Situs Group LLC (a SitusAMC company) ("REVS"), for US\$225.0 million (approximately C\$310.1 million) in cash, or net approximately US\$190.0 million (approximately C\$261.9 million) after consideration of an estimated acquisition-related benefit of the tax step-up, implying a 13.4x 2023 normalized EBITDA multiple.

"Current market complexity and increasing financial reporting demands drive the need for high quality and timely valuations and data driven insights for CRE investors and operators," said Jim Hannon, CEO of Altus Group. "We are excited to have the highly regarded REVS team join the top talent at Altus Group. Collectively we will expand the scope of valuation offers, including advanced analytics, that we deliver to clients."

Acquisition Highlights

The proposed acquisition is expected to provide Altus Group with the following strategic advantages:

- **Enhances valuation offering:** enhances client value with complementary solutions that are embedded in key client workflows and opens up new growth avenues for advanced analytics applications.
- **Expands talent to efficiently serve clients:** adds bench strength with highly credentialed and licensed valuation professionals, technologists, and a scalable service delivery function with synergistic workflow technology.
- **Strengthens financial profile:** supports recurring revenue growth, immediately accretive to Analytics earnings, and creates operating efficiencies.
- **Enhances strategic long-term growth opportunities:** adds strong technology assets with expansive valuation datasets that are core to Altus Group's strategy to scale advanced analytics.

REVS offers independent valuation management solutions to some of the largest CRE institutional investors in the U.S., including pension funds, insurance companies, investment managers, banks, and other CRE asset owners and investors. The transaction will include REVS' key commercial solutions for valuation management (including its Valuation Management System and the Daily Valuation System technology platforms), as well as related appraisal and consulting services such as portfolio monitoring and reporting, portfolio valuations, pension fund monitoring and reporting, and other similar services.

The REVS team includes highly credentialed and licensed valuation professionals who leverage real-time data, proprietary research, and innovative technology to help clients monitor and report the value of their commercial real estate portfolios directly contributing to their investment decision process and financial reporting requirements. Approximately 350 people are expected to join Altus Group as part of the acquisition.

"The combination of our market expertise and expansive valuation datasets will create best-in-class valuation intelligence," added Rick Kalvoda, President of Analytics for the Americas region at Altus Group. "It will elevate the insights and transparency we bring to clients to help them drive asset performance and manage risk."

“Joining Altus Group will create significant value for our clients, our team and the industry,” added Brian Velky, Head of REVS. “Coming together will enhance our independent end-to-end valuation capabilities to ensure we’re best positioned to meet our clients’ evolving needs.”

Financial Information

The transaction is expected to strengthen the Company’s recurring revenue base, be immediately accretive to Altus Group’s Adjusted EBITDA and Adjusted EBITDA margin for its Analytics reportable segment and create operating efficiencies. REVS has been consistently growing its topline in the double-digits and expects to generate approximately US\$46.2 million (approximately C\$63.6 million) in revenue and approximately US\$14.2 million (approximately C\$19.5 million) in normalized EBITDA* for fiscal 2023.

On closing, Altus Group will pay US\$225.0 million (approximately C\$310.1 million) in cash, funded by cash on hand and borrowings under the Company’s credit facilities. In connection with the acquisition of REVS, the Company obtained a commitment from lenders to increase its borrowing capacity under its existing bank credit facilities from up to an aggregate of C\$550 million to up to an aggregate of C\$725 million. The increase to the Company’s borrowing capacity is subject to completion of the acquisition of REVS, satisfaction of typical conditions precedent, and definitive documentation.

Assuming that this transaction, as well as the previously announced acquisition of Forbury Property Valuation Solutions Limited, both close, the Company’s funded debt to Adjusted EBITDA leverage ratio is expected to still be below its 4.5x maximum capacity limit under its credit facilities. Given the expected synergies and existing strong cash flows, Altus Group expects to steadily de-lever to its target 2.0x – 2.5x funded debt to Adjusted EBITDA leverage ratio range by the end of 2025.

The acquisition of REVS is expected to close prior to the end of the first half of 2024, subject to customary closing conditions, including receipt of regulatory approvals. Altus Group plans to discuss the transaction during its Q3 2023 financial results conference call scheduled at 5:00 pm ET today.

Cravath, Swaine & Moore LLP is serving as legal counsel to Altus Group. Kramer Levin Naftalis & Frankel LLP and Kirkland & Ellis LLP are serving as legal counsel and Evercore is serving as financial advisor to Situs Group LLC.

** Normalized EBITDA is a non-GAAP measure as defined by Situs Group, LLC*

About Altus Group

Altus Group is a leading provider of asset and fund intelligence for commercial real estate. We deliver intelligence as a service to our global client base through a connected platform of industry-leading technology, advanced analytics, and advisory services. Trusted by the largest CRE leaders, our capabilities help commercial real estate investors, developers, proprietors, lenders, and advisors manage risks and improve performance returns throughout the asset and fund lifecycle. Altus Group is a global company headquartered in Toronto with approximately 3,000 employees across North America, EMEA and Asia Pacific. For more information about Altus Group (TSX: AIF) please visit altusgroup.com.

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, including statements relating to expected financial and other benefits of the acquisition and the closing of the acquisition (including the expected timing of closing), as well as

statements relating to the Company's business, strategies and leverage (including the commitment to increase borrowing capacity). 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. 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. Those risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information include those described in our publicly filed documents, including the Annual Information Form for the year ended December 31, 2022 and the Company's other periodic filings with the securities commissions or similar regulatory authorities in Canada (which are available on SEDAR+ at www.sedarplus.com). We believe that the expectations reflected in forward-looking information are based upon reasonable assumptions; however, we can give no assurance that actual results will be consistent with the forward-looking information. Not all factors which affect the forward-looking information are known, and actual results may vary from the projected results in a material respect, and may be above or below the forward-looking information presented in a material respect.

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 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.

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