News Release

COMPANY CONTACTS:

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**For Immediate Release**

# Elmston Reports Very Strong Fourth Quarter Results

## Growth across all services, geographies drives full year revenue to exceed $4 billion milestone

**Fourth quarter and full year operating highlights:**

| *(in millions of US$, except EPS)* | Three months ended December 31 | | Twelve months ended December 31 | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| **Revenues** | **$ 1,345.5** | $ 913.7 | **$ 4,089.1** | $ 2,786.9 |
| **Adjusted EBITDA (note 1)** | **192.0** | 154.9 | **544.3** | 361.4 |
| **Adjusted EPS (note 2)** | **2.25** | 1.79 | **6.18** | 4.18 |
| **GAAP operating earnings** | **138.4** | 79.4 | **(131.5)*** | 164.6 |
| **GAAP diluted EPS** | **0.92** | 0.80 | **(9.09)*** | 1.22 |

** Includes $471.9 million settlement of Long-Term Incentive Arrangement with the Company's Chairman & CEO.*

**TORONTO**, Canada, February 10, 2022 – Elmston International Group Inc. ("Elmston" or the "Company") today announced operating and financial results for the fourth quarter and year ended December 31, 2021. All amounts are in US dollars.

For the quarter ended December 31, 2021, revenues were $1.35 billion, up 47% (48% in local currency) relative to the same quarter in the prior year. Adjusted EBITDA (note 1) was $192.0 million, up 24% (25% in local currency) and adjusted EPS (note 2) was $2.25, up 26% versus the prior year period. Fourth quarter adjusted EPS would have been approximately $0.03 higher excluding foreign exchange impacts. GAAP operating earnings were $138.4 million, up from $79.4 million in the prior year quarter. GAAP diluted net earnings per share were $0.92, versus $0.80 in the prior year quarter. Fourth quarter GAAP EPS would have been approximately $0.03 higher excluding changes in foreign exchange rates.

For the full year ended December 31, 2021, revenues were $4.09 billion, up 47% (44% in local currency) relative to the same period in the prior year, adjusted EBITDA (note 1) was $544.3 million, up 51% (48% in local currency) versus prior year and adjusted EPS (note 2) was $6.18, up 48% versus prior year. Full year ended December 31, 2021 adjusted EPS would have been approximately $0.13 lower excluding foreign exchange impacts. The GAAP operating loss was $131.5 million and included the settlement of the Long-Term Incentive Arrangement (“LTIA”) with the Company's Chairman & CEO which was approved by 95% of the Company’s disinterested shareholders. The GAAP diluted loss per share was $9.09. Full year GAAP EPS would have been approximately $0.14 lower excluding changes in foreign exchange rates.

“Elmston delivered very strong fourth quarter results with full year revenues exceeding the $4 billion milestone,” said Jay S. Hennick, Global Chairman & CEO of Elmston. “Capital Markets, Leasing and Outsourcing & Advisory were all up significantly, across all service lines and geographies, while Investment Management delivered record results, raising more than $6 billion in new capital and finishing the year with more than $50 billion in assets under management (AUM). With a globally balanced and highly diversified business model and sharp focus on continued growth in existing operations with emphasis on more recurring revenue streams, Elmston is stronger and more resilient than ever. Last month, we agreed to invest in Basalt Infrastructure, a leading transatlantic infrastructure investment management firm with more than $8 billion in AUM, adding another highly differentiated investment management firm specializing in the important utility, transportation, energy/renewables and communications sectors. Together with the previously announced acquisition of Milan-based Antirion to augment our Elmston Global Investors business in Europe, we expect to add more than $12 billion in AUM to our Investment Management segment once these transactions are completed. With a strong global brand and growth platform, proven track record of more than 27 years, balanced and highly diversified business model, unique enterprising culture and significant inside ownership, Elmston is better positioned than at any other time in our history to continue creating significant value and superior investment returns for shareholders,” he concluded.

**About Elmston**

Elmston (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 64 countries, our 17,000 enterprising professionals work collaboratively to provide expert real estate and investment advice to clients. For more than 27 years, our experienced leadership with significant inside ownership has delivered compound annual investment returns of 20% for shareholders. With annual revenues of $4.1 billion and more than $50 billion of assets under management, Elmston maximizes the potential of property and real assets to accelerate the success of our clients, our investors and our people. Learn more at corporate.elmston.co, Twitter @Elmston or LinkedIn.

**Consolidated Revenues by Line of Service**

| *(in thousands of US$)* *(LC = local currency)* | Three months ended December 31 2021 | 2020 | Change in US$ % | Change in LC% | Twelve months ended December 31 2021 | 2020 | Change in US$ % | Change in LC% |
|---|---|---|---|---|---|---|---|---|
| Outsourcing & Advisory | **$ 479,593** | $ 377,191 | 27% | 28% | **$ 1,599,313** | $ 1,226,877 | 30% | 27% |
| Investment Management [(1)] | **79,511** | 43,676 | 82% | 82% | **252,890** | 172,594 | 47% | 46% |
| Leasing | **336,876** | 215,516 | 56% | 57% | **1,000,683** | 686,482 | 46% | 43% |
| Capital Markets | **449,485** | 277,333 | 62% | 63% | **1,236,243** | 700,904 | 76% | 73% |
| Total revenues | **$ 1,345,465** | $ 913,716 | 47% | 48% | **$ 4,089,129** | $ 2,786,857 | 47% | 44% |

*(1) Investment Management local currency revenues, excluding pass-through carried interest, were up 45% and 29%, respectively for the three and twelve months ended December 31, 2021.*

Consolidated revenues for the fourth quarter of 2021 increased 48% on a local currency basis, driven by strong growth across all service lines and in all geographies. Consolidated internal revenues measured in local currencies were up 46% (note 3), versus prior year quarter results on robust transaction activity, particularly in industrial and multifamily asset classes. Relative to 2019 pre-pandemic peak levels, fourth quarter 2021 Capital Markets revenues were up 60% on an internal local currency basis, while Leasing revenues were up 12%.

For the year ended December 31, 2021, consolidated revenues increased 44% on a local currency basis driven by (i) strong growth in all service lines, led by Capital Markets, and Leasing, whose prior year results were impacted by the pandemic beginning in March 2020; and (ii) the favourable impact of recent acquisitions. Consolidated internal revenues measured in local currencies were up 36% (note 3). Relative to 2019 pre-pandemic peak levels, full year 2021 Capital Markets revenues were up 38% on an internal local currency basis, while Leasing revenues were up 2%.

**Segmented Fourth Quarter Results**

Revenues in the Americas region totalled $813.6 million for the fourth quarter, up 55% (54% in local currency) versus $524.9 million in the prior year quarter. Revenue growth was primarily driven by exceptionally strong Leasing activity led by industrial and Capital Markets activity led by industrial, land and multifamily asset classes. Outsourcing & Advisory revenues increased on robust growth in Engineering & Design, Valuation and Loan Servicing. Adjusted EBITDA was $94.5 million, up 34% (34% in local currency) over the prior year quarter. Adjusted EBITDA growth was driven by revenue growth but affected by (i) significant incremental performance-based incentive compensation expense calculated based on year over year growth in operating results, and (ii) higher discretionary and variable costs relative to reduced costs during the pandemic-impacted prior year quarter. GAAP operating earnings were $78.8 million, relative to $54.8 million in the prior year quarter.

Revenues in the EMEA region totalled $233.1 million for the fourth quarter compared to $182.5 million in the prior year quarter, up 28% (32% in local currency) with robust growth across all service lines, led by Outsourcing & Advisory and Capital Markets. Adjusted EBITDA was $42.4 million, up 19% (25% in local currency) over the prior year. GAAP operating earnings were $34.9 million versus $26.4 million in the prior year quarter.

Revenues in the Asia Pacific region totalled $219.1 million for the fourth quarter compared to $162.6 million in the prior year quarter, up 35% (36% in local currency). Revenue growth was driven by strong Capital Markets activity across the region, especially in Australia and New Zealand versus pandemic-impacted prior year quarter results. Adjusted EBITDA was $38.4 million, up 7% (7% in local currency) over the prior year quarter and was affected by significantly higher performance-based incentive compensation expense relative to the prior year quarter. GAAP operating earnings were $35.3 million, versus $30.4 million in the prior year quarter.

Investment Management revenues for the fourth quarter were $79.5 million compared to $43.7 million in the prior year quarter, up 82% (83% in local currency). Passthrough revenue from historical carried interest represented $16.4 million for the quarter versus nil in the prior year quarter. Excluding the impact of carried interest, revenue was up 44% (45% in local currency) driven by management fee growth from increased assets under management. Adjusted EBITDA was $28.3 million, up 53% (54% in local currency) over the prior year quarter. GAAP operating earnings were $19.8 million in the quarter, versus $10.4 million in the prior year quarter. Assets under management were $51.0 billion on December 31, 2021, up 29% from $39.5 billion on December 31, 2020.

Unallocated global corporate costs as reported in Adjusted EBITDA were $11.5 million in the fourth quarter, relative to $5.4 million in the prior year quarter, with the change primarily attributable to performance-based incentive compensation accruals recorded in the current year period compared to zero in the prior year period. The corporate GAAP operating loss for the quarter was $30.4 million relative to a loss of $42.5 million in the fourth quarter of 2020, with the prior year period impacted by contingent acquisition consideration expense related to acquisitions completed during the past three years.

## Segmented Full Year Results

Revenues in the Americas region totalled $2.49 billion for the full year compared to $1.63 billion in the prior year, up 53% (51% in local currency). Revenue growth was primarily driven by strong results in Capital Markets, particularly industrial, land and multifamily asset classes as well as Leasing and the favourable impact of recent acquisitions. Adjusted EBITDA was $296.1 million, up 64% (62% in local currency) from $180.4 million in the prior year, on higher revenues and the positive impact of recent acquisitions. GAAP operating earnings were $233.8 million, versus $121.4 million in 2020.

EMEA region revenues were $672.7 million for the full year compared to $516.5 million in the prior year, up 30% (27% in local currency) on growth across all service lines. Adjusted EBITDA was $82.5 million, up 80% (79% in local currency) versus $45.9 million in the prior year with the improvement attributable to operating leverage from higher revenues. GAAP operating earnings were $59.6 million as compared to $8.3 million in 2020.

The Asia Pacific region generated revenues of $673.7 million for the full year compared to $470.6 million in the prior year, up 43% (36% in local currency). Revenue growth was driven by a rebound in activity across all service lines, led by Capital Markets. Adjusted

EBITDA was $95.2 million, up 44% (36% in local currency) versus $66.3 million in the prior year. GAAP operating earnings were $82.0 million, versus $45.2 million in the prior year.

Investment Management revenues were $252.9 million compared to $172.6 million in the prior year, up 47% (46% in local currency). Pass-through revenue from historical carried interest represented $35.0 million in the current year, versus $4.2 million in the prior year. Excluding the impact of pass-through revenue, revenues were up 29% (29% in local currency) and were positively impacted by strong fundraising in both open and closed-ended fund series. Adjusted EBITDA was $95.1 million, up 37% (37% in local currency), relative to $69.5 million in the prior year. GAAP operating earnings were $63.7 million, versus $40.7 million in 2020.

Unallocated global corporate costs as reported in Adjusted EBITDA were $24.7 million in 2021, relative to $0.7 million in the prior year with the change attributable to significant performance-based incentive compensation accruals relative to zero in the prior year. The corporate GAAP operating loss, inclusive of the LTIA settlement, was $570.6 million, relative to $51.1 million in 2020.

**Conference Call**

Elmston will be holding a conference call on Thursday, February 10, 2022 at 11:00 a.m. Eastern Time to discuss the quarter’s results. The call, as well as a supplemental slide presentation, will be simultaneously web cast and can be accessed live or after the call at corporate.elmston.co in the Events section.

## Forward-looking Statements

This press release includes or may include forward-looking statements. Forward-looking statements include the Company's financial performance outlook and statements regarding goals, beliefs, strategies, objectives, plans or current expectations. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from any future results, performance or achievements contemplated in the forward-looking statements. Such factors include: economic conditions, especially as they relate to commercial and consumer credit conditions and consumer spending, particularly in regions where our business may be concentrated; commercial real estate property values, vacancy rates and general conditions of financial liquidity for real estate transactions; trends in pricing and risk assumption for commercial real estate services; the effect of significant movements in average capitalization rates across different property types; a reduction by companies in their reliance on outsourcing for their commercial real estate needs, which would affect revenues and operating performance; competition in the markets served by the Company; the ability to attract new clients and to retain major clients and renew related contracts; the ability to retain and incentivize producers; increases in wage and benefit costs; the effects of changes in interest rates on the cost of borrowing; unexpected increases in operating costs, such as insurance, workers' compensation and health care; changes in the frequency or severity of insurance incidents relative to historical experience; the effects of changes in foreign exchange rates in relation to the US dollar on the Company's Canadian dollar, Euro, Australian dollar and UK pound sterling denominated revenues and expenses; the impact of pandemics on client demand for the Company's services, the ability of the Company to deliver its services and the health and productivity of its employees; the impact of global climate change; the impact of political events including elections, referenda, trade policy changes, immigration policy changes, hostilities and terrorism on the Company's operations; the ability to identify and make acquisitions at reasonable prices and successfully integrate acquired operations; the ability to execute on, and adapt to, information technology strategies and trends; the ability to comply with laws and regulations related to our global operations, including real estate and mortgage banking licensure, labour and employment laws and regulations, as well as the anti-corruption laws and trade sanctions; and changes in government laws and policies at the federal, state/provincial or local level that may adversely impact the business.

Additional information and risk factors are identified in the Company's other periodic filings with Canadian and US securities regulators (which factors are adopted herein and a copy of which can be obtained at www.sedar.com). Forward looking statements contained in this press release are made as of the date hereof and are subject to change. All forward-looking statements in this press release are qualified by these cautionary statements. Except as required by applicable law, Elmston undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Summary financial information is provided in this press release. This press release should be read in conjunction with the Company's consolidated financial statements and MD&A to be made available on SEDAR at www.sedar.com.

**Notes**

**Non-GAAP Measures**

*1. Reconciliation of net earnings to adjusted EBITDA:*

Adjusted EBITDA is defined as net earnings, adjusted to exclude: (i) income tax; (ii) other expense (income); (iii) interest expense; (iv) the settlement of the LTIA; (v) depreciation and amortization, including amortization of mortgage servicing rights ("MSRs"); (vi) gains attributable to MSRs; (vii) acquisition-related items (including contingent acquisition consideration fair value adjustments, contingent acquisition consideration-related compensation expense and transaction costs); (viii) restructuring costs and (ix) stock-based compensation expense. We use adjusted EBITDA to evaluate our own operating performance and our ability to service debt, as well as an integral part of our planning and reporting systems. Additionally, we use this measure in conjunction with discounted cash flow models to determine the Company's overall enterprise valuation and to evaluate acquisition targets. We present adjusted EBITDA as a supplemental measure because we believe such measure is useful to investors as a reasonable indicator of operating performance because of the low capital intensity of the Company's service operations. We believe this measure is a financial metric used by many investors to compare companies, especially in the services industry. This measure is not a recognized measure of financial performance under GAAP in the United States, and should not be considered as a substitute for operating earnings, net earnings or cash flow from operating activities, as determined in accordance with GAAP. Our method of calculating adjusted EBITDA may differ from other issuers and accordingly, this measure may not be comparable to measures used by other issuers. A reconciliation of net earnings to adjusted EBITDA appears below.

| | Three months ended December 31 | | Twelve months ended December 31 | |
|---|---|---|---|---|
| *(in thousands of US$)* | **2021** | 2020 | **2021** | 2020 |
| Net earnings (loss) | **$ 99,741** | $ 49,568 | **$ (237,557)** | $ 94,489 |
| Income tax | **37,020** | 22,980 | **85,510** | 42,046 |
| Other income, including equity earnings from non-consolidated investments | **(5,726)** | (1,427) | **(11,273)** | (2,906) |
| Interest expense, net | **7,319** | 8,322 | **31,819** | 30,949 |
| Operating earnings (loss) | **138,354** | 79,443 | **(131,501)** | 164,578 |
| Settlement of LTIA | **-** | - | **471,928** | - |
| Depreciation and amortization | **38,155** | 38,795 | **145,094** | 125,906 |
| Gains attributable to MSRs | **(8,486)** | (9,668) | **(29,214)** | (17,065) |
| Equity earnings from non-consolidated investments | **1,565** | 1,468 | **6,190** | 2,919 |
| Acquisition-related items | **11,235** | 34,349 | **61,008** | 45,848 |
| Restructuring costs | **5,018** | 6,947 | **6,484** | 29,628 |
| Stock-based compensation expense | **6,169** | 3,572 | **14,349** | 9,628 |
| **Adjusted EBITDA** | **$ 192,010** | $ 154,906 | **$ 544,338** | $ 361,442 |

*2. Reconciliation of net earnings and diluted net earnings per common share to adjusted net earnings and adjusted EPS:*

Adjusted EPS is defined as diluted net earnings per share as calculated under the "if-converted" method, adjusted for the effect, after income tax, of: (i) the non-controlling interest redemption increment; (ii) the settlement of the LTIA; (iii) amortization expense related to intangible assets recognized in connection with acquisitions and MSRs; (iv) gains attributable to MSRs; (v) acquisition-related items; (vi) restructuring costs and (vii) stock-based compensation expense. We believe this measure is useful to investors because it provides a supplemental way to understand the underlying operating performance of the Company and enhances the comparability of operating results from period to period. Adjusted EPS is not a recognized measure of financial performance under GAAP, and should not be considered as a substitute for diluted net earnings per share from continuing operations, as determined in accordance with GAAP. Our method of calculating this non-GAAP measure may differ from other issuers and, accordingly, this measure may not be comparable to measures used by other issuers. A reconciliation of net earnings to adjusted net earnings and of diluted net earnings per share to adjusted EPS appears below.

Adjusted EPS is calculated using the "if-converted" method of calculating earnings per share in relation to the Convertible Notes, which were issued on May 19, 2020. As such, the interest (net of tax) on the Convertible Notes is added to the numerator and the additional shares issuable on conversion of the Convertible Notes are added to the denominator of the earnings per share calculation to determine if an assumed conversion is more dilutive than no assumption of conversion. The "if-converted" method is used if the impact of the assumed conversion is dilutive. The “if-converted” method is dilutive for the adjusted EPS calculation for all periods presented.

| *(in thousands of US$)* | Three months ended December 31 2021 | 2020 | Twelve months ended December 31 2021 | 2020 |
|---|---|---|---|---|
| Net earnings (loss) | **$ 99,741** | $ 49,568 | **$ (237,557)** | $ 94,489 |
| Non-controlling interest share of earnings | **(20,317)** | (15,666) | **(53,465)** | (29,572) |
| Interest on Convertible Notes | **2,300** | 2,300 | **9,200** | 5,673 |
| Settlement of LTIA | **-** | - | **471,928** | - |
| Amortization of intangible assets | **25,202** | 27,544 | **99,221** | 86,557 |
| Gains attributable to MSRs | **(8,486)** | (9,668) | **(29,214)** | (17,065) |
| Acquisition-related items | **11,235** | 34,349 | **61,008** | 45,848 |
| Restructuring costs | **5,018** | 6,947 | **6,484** | 29,628 |
| Stock-based compensation expense | **6,169** | 3,572 | **14,349** | 9,628 |
| Income tax on adjustments | **(8,099)** | (15,115) | **(35,216)** | (35,350) |
| Non-controlling interest on adjustments | **(2,871)** | (4,257) | **(12,791)** | (11,479) |
| **Adjusted net earnings** | **$ 109,892** | $ 79,574 | **$ 293,947** | $ 178,357 |

| *(in US$)* | Three months ended December 31 2021 | 2020 | Twelve months ended December 31 2021 | 2020 |
|---|---|---|---|---|
| Diluted net earnings (loss) per common share [(1)] | **$ 0.89** | $ 0.76 | **$ (8.21)** | $ 1.15 |
| Interest on Convertible Notes, net of tax | **0.03** | 0.04 | **0.14** | 0.10 |
| Non-controlling interest redemption increment | **0.74** | 0.01 | **2.09** | 0.37 |
| Settlement of LTIA | **-** | - | **9.92** | - |
| Amortization expense, net of tax | **0.31** | 0.35 | **1.25** | 1.23 |
| Gains attributable to MSRs, net of tax | **(0.10)** | (0.09) | **(0.34)** | (0.22) |
| Acquisition-related items | **0.18** | 0.53 | **0.93** | 0.82 |
| Restructuring costs, net of tax | **0.07** | 0.12 | **0.10** | 0.51 |
| Stock-based compensation expense, net of tax | **0.13** | 0.07 | **0.30** | 0.22 |
| **Adjusted EPS** | **$ 2.25** | $ 1.79 | **$ 6.18** | $ 4.18 |
| | | | | |
| Diluted weighted average shares for Adjusted EPS (thousands) | **48,867** | 44,365 | 47,559 | 42,647 |

[(1)]Amounts shown reflect the "if-converted" method's dilutive impact on the adjusted EPS calculation for the years ended December 31, 2021 and 2020.

*3. Local currency revenue growth rate and internal revenue growth rate measures*

Percentage revenue variances presented on a local currency basis are calculated by translating the current period results of our non-US dollar denominated operations to US dollars using the foreign currency exchange rates from the periods against which the current period results are being compared. Percentage revenue variances presented on an internal growth basis are calculated assuming no impact from acquired entities in the current and prior periods. Revenue from acquired entities, including any foreign exchange impacts, are treated as acquisition growth until the respective anniversaries of the acquisitions. We believe that these revenue growth rate methodologies provide a framework for assessing the Company’s performance and operations excluding the effects of foreign currency exchange rate fluctuations and acquisitions. Since these revenue growth rate measures are not calculated under GAAP, they may not be comparable to similar measures used by other issuers.

*4. Assets under management*

We use the term assets under management (“AUM”) as a measure of the scale of our Investment Management operations. AUM is defined as the gross market value of operating assets and the projected gross cost of development assets of the funds, partnerships and accounts to which we provide management and advisory services, including capital that such funds, partnerships and accounts have the right to call from investors pursuant to capital commitments. Our definition of AUM may differ from those used by other issuers and as such may not be directly comparable to similar measures used by other issuers.

**Elmston INTERNATIONAL GROUP INC.**
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)
*(in thousands of US$, except per share amounts)*

| *(unaudited)* | Three months ended December 31 **2021** | Three months ended December 31 2020 | Twelve months ended December 31 **2021** | Twelve months ended December 31 2020 |
|---|---|---|---|---|
| **Revenues** | **$ 1,345,465** | $ 913,716 | **$ 4,089,129** | $ 2,786,857 |
| Cost of revenues | **830,361** | 543,124 | **2,519,866** | 1,740,860 |
| Selling, general and administrative expenses | **327,360** | 218,005 | **1,022,734** | 709,665 |
| Depreciation | **12,953** | 11,251 | **45,873** | 39,349 |
| Amortization of intangible assets | **25,202** | 27,544 | **99,221** | 86,557 |
| Acquisition-related items (1) | **11,235** | 34,349 | **61,008** | 45,848 |
| Settlement of long-term incentive arrangement (2) | **-** | - | **471,928** | - |
| **Operating earnings (loss)** | **138,354** | 79,443 | **(131,501)** | 164,578 |
| Interest expense, net | **7,319** | 8,322 | **31,819** | 30,949 |
| Equity earnings from unconsolidated investments | **(1,565)** | (1,468) | **(6,190)** | (2,919) |
| Other income | **(4,161)** | 41 | **(5,083)** | 13 |
| Earnings (loss) before income tax | **136,761** | 72,548 | **(152,047)** | 136,535 |
| Income tax | **37,020** | 22,980 | **85,510** | 42,046 |
| **Net earnings (loss)** | **99,741** | 49,568 | **(237,557)** | 94,489 |
| Non-controlling interest share of earnings | **20,317** | 15,666 | **53,465** | 29,572 |
| Non-controlling interest redemption increment | **36,136** | 270 | **99,316** | 15,843 |
| **Net earnings (loss) attributable to Company** | **$ 43,288** | $ 33,632 | **$ (390,338)** | $ 49,074 |
| **Net earnings (loss) per common share** | | | | |
| Basic | **$ 0.98** | $ 0.84 | **$ (9.09)** | $ 1.23 |
| Diluted (3) | **$ 0.92** | $ 0.80 | **$ (9.09)** | $ 1.22 |
| **Adjusted EPS (4)** | **$ 2.25** | $ 1.79 | **$ 6.18** | $ 4.18 |
| Weighted average common shares (thousands) | | | | |
| Basic | **44,038** | 40,111 | **42,920** | 39,986 |
| Diluted | **48,867** | 44,365 | **42,920** | 40,179 |

**Notes to Condensed Consolidated Statements of Earnings**

(1) Acquisition-related items include contingent acquisition consideration fair value adjustments, contingent acquisition consideration-related compensation expense and transaction costs.

(2) Settlement of Long-Term Incentive Arrangement with the Company's Chairman and CEO as approved by 95% of the Company's disinterested shareholders. The settlement resulted in a cash payment of $96,200 and the issuance of 3,572,858 Subordinate Voting Shares on April 16, 2021.

(3) Diluted EPS is calculated using the "if-converted" method of calculating earnings per share in relation to the Convertible Notes, which were issued on May 19, 2020. As such, the interest (net of tax) on the Convertible Notes is added to the numerator and the additional shares issuable on conversion of the Convertible Notes are added to the denominator of the earnings per share calculation to determine if an assumed conversion is more dilutive than no assumption of conversion. The "if-converted" method is used if the impact of the assumed conversion is dilutive. The "if-converted" method is dilutive for the three-months ended December 31, 2021 and 2020. The "if-converted" method is anti-dilutive for the years ended December 31, 2021 and 2020.

(4) See definition and reconciliation above.

**Elmston INTERNATIONAL GROUP INC.**

CONDENSED CONSOLIDATED BALANCE SHEETS

*(in thousands of US$)*

| *(unaudited)* | | December 31, 2021 | | December 31, 2020 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | **$** | **396,745** | $ | 156,614 |
| Restricted cash (1) | | **28,526** | | 20,919 |
| Accounts receivable and contract assets | | **573,710** | | 433,250 |
| Warehouse receivables (2) | | **174,717** | | 232,207 |
| Prepaids and other assets | | **353,220** | | 192,821 |
| Real estate assets held for sale | | **1,286** | | - |
| **Current assets** | | **1,528,204** | | 1,035,811 |
| Other non-current assets | | **120,071** | | 94,679 |
| Fixed assets | | **144,755** | | 129,221 |
| Operating lease right-of-use assets | | **316,517** | | 288,134 |
| Deferred tax assets, net | | **68,502** | | 45,008 |
| Goodwill and intangible assets | | **1,652,878** | | 1,699,314 |
| Real estate assets held for sale | | **42,803** | | - |
| **Total assets** | **$** | **3,873,730** | $ | 3,292,167 |
| **Liabilities and shareholders' equity** | | | | |
| Accounts payable and accrued liabilities | **$** | **1,082,774** | $ | 748,660 |
| Other current liabilities | | **186,089** | | 53,661 |
| Long-term debt - current | | **1,458** | | 9,024 |
| Warehouse credit facilities (2) | | **162,911** | | 218,018 |
| Operating lease liabilities - current | | **80,928** | | 78,923 |
| Liabilities related to real estate assets held for sale | | **6** | | - |
| **Current liabilities** | | **1,514,166** | | 1,108,286 |
| Long-term debt - non-current | | **529,596** | | 470,871 |
| Operating lease liabilities - non-current | | **296,633** | | 251,680 |
| Other liabilities | | **120,489** | | 158,366 |
| Deferred tax liabilities, net | | **42,371** | | 50,523 |
| Convertible notes | | **225,214** | | 223,957 |
| Liabilities related to real estate assets held for sale | | **23,089** | | - |
| Redeemable non-controlling interests | | **536,903** | | 442,375 |
| Shareholders' equity | | **585,269** | | 586,109 |
| **Total liabilities and equity** | **$** | **3,873,730** | $ | 3,292,167 |
| **Supplemental balance sheet information** | | | | |
| Total debt (3) | **$** | **531,054** | $ | 479,895 |
| Total debt, net of cash and cash equivalents (3) | | **134,309** | | 323,281 |
| Net debt / pro forma adjusted EBITDA ratio (4) | | **0.3** | | 1.0 |

**Note to Condensed Consolidated Balance Sheets**

(1) Restricted cash consists primarily of cash amounts set aside to satisfy legal or contractual requirements arising in the normal course of business.

(2) Warehouse receivables represent mortgage loans receivable, the majority of which are offset by borrowings under warehouse credit facilities which fund loans that financial institutions have committed to purchase.

(3) Excluding warehouse credit facilities and convertible notes.

(4) Net debt for financial leverage ratio excludes restricted cash, warehouse credit facilities and convertible notes, in accordance with debt agreements.

**Elmston INTERNATIONAL GROUP INC.**
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
*(in thousands of US$)*

| *(unaudited)* | Three months ended December 31 **2021** | Three months ended December 31 2020 | Twelve months ended December 31 **2021** | Twelve months ended December 31 2020 |
|---|---|---|---|---|
| **Cash provided by (used in)** | | | | |
| **Operating activities** | | | | |
| Net earnings (loss) | **$ 99,740** | $ 49,568 | **$ (237,557)** | $ 94,489 |
| Items not affecting cash: | | | | |
| Depreciation and amortization | **38,155** | 38,795 | **145,094** | 125,906 |
| Settlement of long-term incentive arrangement | **-** | - | **375,742** | - |
| Gains attributable to mortgage servicing rights | **(8,486)** | (9,668) | **(29,214)** | (17,065) |
| Gains attributable to the fair value of loan premiums and origination fees | **(14,040)** | (22,418) | **(48,839)** | (38,531) |
| Deferred income tax | **(4,081)** | 3,790 | **(37,538)** | (13,184) |
| Other | **18,871** | 43,214 | **105,933** | 80,497 |
| | **130,159** | 103,281 | **273,621** | 232,112 |
| (Increase) decrease in accounts receivable, prepaid expenses and other assets | **(182,709)** | (31,683) | **(322,331)** | 49,039 |
| Increase (decrease) in accounts payable, accrued expenses and other liabilities | **77,561** | (73,645) | **153,119** | (13,901) |
| (Decrease) increase in accrued compensation | **172,044** | 67,780 | **246,278** | (78,591) |
| Contingent acquisition consideration paid | **(7,545)** | (2,540) | **(18,017)** | (18,224) |
| Proceeds from sale of mortgage loans | **607,795** | 744,907 | **2,577,283** | 1,226,041 |
| Origination of mortgage loans | **(608,750)** | (769,532) | **(2,467,733)** | (1,395,734 |
| (Decrease) increase in warehouse credit facilities | **10,006** | 36,802 | **(55,107)** | 193,168 |
| (Repurchases from) sales to AR Facility, net | **(120,654)** | (13,141) | **(98,133)** | (27,431) |
| Net cash provided by operating activities | **77,907** | 62,229 | **288,980** | 166,479 |
| **Investing activities** | | | | |
| Acquisition of businesses, net of cash acquired | **(56,035)** | (1,692) | **(60,832)** | (205,608) |
| Purchases of fixed assets | **(13,501)** | (10,823) | **(57,951)** | (40,353) |
| Purchase of held for sale real estate assets | **(20,973)** | (38,464) | **(31,074)** | (84,382) |
| Proceeds from sale of held for sale real estate assets | **10,080** | 84,382 | **10,080** | 178,604 |
| Cash collections on AR facility deferred purchase price | **116,907** | 13,862 | **151,202** | 51,994 |
| Other investing activities | **(25,903)** | (12,573) | **(60,839)** | (13,713) |
| Net cash (used in) provided by investing activities | **10,575** | 34,692 | **(49,414)** | (113,458) |
| **Financing activities** | | | | |
| Increase (decrease) in long-term debt, net | **157,060** | (181,192) | **72,063** | (163,064) |
| Issuance of convertible notes | **-** | - | **-** | 230,000 |
| (Purchases) sales of non-controlling interests, net | **14,648** | (813) | **(5,534)** | (19,791) |
| Dividends paid to common shareholders | **-** | - | **(4,209)** | (3,992) |
| Distributions paid to non-controlling interests | **(8,010)** | (6,636) | **(51,508)** | (35,698) |
| Other financing activities | **(916)** | 4,581 | **7,789** | (6,406) |
| Net cash provided by (used in) financing activities | **162,782** | (184,060) | **18,601** | 1,049 |
| Effect of exchange rate changes on cash | **(5,464)** | 16,939 | **(10,429)** | 8,470 |
| Net change in cash and cash equivalents and restricted cash | **245,800** | (70,200) | **247,738** | 62,540 |
| Cash and cash equivalents and restricted cash, beginning of period | **179,471** | 247,733 | **177,533** | 114,993 |
| Cash and cash equivalents and restricted cash, end of period | **$ 425,271** | $ 177,533 | **$ 425,271** | $ 177,533 |

**Elmston INTERNATIONAL GROUP INC.**
SEGMENTED RESULTS
*(in thousands of US dollars)*

| *(unaudited)* | Americas | EMEA | Asia Pacific | Investment Management | Corporate | Consolidated |
|---|---|---|---|---|---|---|
| **Three months ended December 31** | | | | | | |
| **2021** | | | | | | |
| **Revenues** | **$ 813,573** | **$ 233,116** | **$ 219,089** | **$ 79,523** | **$ 164** | **$ 1,345,465** |
| **Adjusted EBITDA** | **94,476** | **42,367** | **38,391** | **28,277** | **(11,501)** | **192,010** |
| **Operating earnings (loss)** | **78,818** | **34,903** | **35,281** | **19,759** | **(30,407)** | **138,354** |
| 2020 | | | | | | |
| Revenues | $ 524,860 | $ 182,461 | $ 162,616 | $ 43,676 | $ 103 | $ 913,716 |
| Adjusted EBITDA | 70,267 | 35,599 | 36,034 | 18,425 | (5,419) | 154,906 |
| Operating earnings (loss) | 54,834 | 26,407 | 30,354 | 10,391 | (42,543) | 79,443 |

| | Americas | EMEA | Asia Pacific | Investment Management | Corporate | Consolidated |
|---|---|---|---|---|---|---|
| **Twelve months ended December 31** | | | | | | |
| **2021** | | | | | | |
| **Revenues** | **$ 2,489,217** | **$ 672,737** | **$ 673,661** | **$ 252,890** | **$ 624** | **$ 4,089,129** |
| **Adjusted EBITDA** | **296,133** | **82,505** | **95,238** | **95,122** | **(24,660)** | **544,338** |
| **Operating earnings (loss)** | **233,788** | **59,606** | **82,023** | **63,659** | **(570,577)** | **(131,501)** |
| **2020** | | | | | | |
| Revenues | $ 1,626,372 | $ 516,507 | $ 470,632 | $ 172,594 | $ 752 | $ 2,786,857 |
| Adjusted EBITDA | 180,427 | 45,934 | 66,292 | 69,488 | (699) | 361,442 |
| Operating earnings (loss) | 121,371 | 8,336 | 45,221 | 40,738 | (51,088) | 164,578 |