



TSX: IBG

IBI GROUP INC. ANNOUNCES 2021 RESULTS HIGHLIGHTED BY 7.5% ORGANIC GROWTH, 13% NET REVENUE INCREASE, 15.3% ADJUSTED EBITDA MARGIN AND 40% GROWTH IN DILUTED EPS

Toronto, Ontario – March 10, 2022 – IBI Group Inc. (“IBI” or the “Company”), a globally integrated design and technology firm, today announced its financial and operating results for the three and twelve months ended December 31, 2021. Select financial and operational information is outlined below and should be read with IBI’s consolidated [financial statements](#) (“Financial Statements”) and [management’s discussion and analysis](#) (“MD&A”) as of December 31, 2021, which are available on SEDAR at www.sedar.com and on IBI’s website at www.ibigroup.com.

Select Full Year and Fourth Quarter Highlights:

- Net revenue of **\$444.5 million increased by 13% in 2021** with **7.5% organic growth** and exceeded the Company’s most recent guidance of \$435 million by 2%, while Q4 net revenue grew 14% with **9.6% organic growth**. For 2022, net revenue is **forecast at \$457 million**.
- Adjusted EBITDA¹ net of IFRS 16 impacts was **\$68.0 million (15.3% of net revenue)** in 2021 and **\$14.9 million (or 13.2% of net revenue)** in Q4. Margins in Q4 and full year 2021 were reduced by approximately 1% as IBI incurred costs on some large projects during 2021 without recognizing the associated revenue in the year. In addition, IBI continued to make significant investments in new Intelligence products through the year.
- Full year diluted EPS of **\$0.66/sh (\$0.12/sh in Q4) increased by 40% from the prior year**, driven by growth primarily in the Buildings and Infrastructure segments, as well as the accretive bolt-on acquisitions completed during the year.
- Net debt to Adjusted EBITDA^{1,2} multiple was **0.4 times** at year-end, continuing a trend of financial strengthening that has seen **net debt reduced by 61%** from year-end 2020. The Company remains well-positioned with a low-risk balance sheet that affords ample flexibility to pursue accretive acquisitions which contribute to IBI’s long-term growth strategy.
- Backlog increased by **8% to \$623 million (17 months)** relative to Q4 2020, with IBI continuing to observe robust demand for services across segments.
- Recurring software support and maintenance billing to clients remained largely stable throughout 2021 with **\$5.1 million in Q4 2021**, and **\$20.6 million for the full-year**.
- Several corporate and asset acquisitions were completed in 2021 which bolstered capabilities in key areas such as **renewable energy, water, environmental consulting for First Nations and traveler information systems**. These acquisitions are anticipated to **enhance net revenue and Adjusted EBITDA¹** going forward, while providing a multitude of opportunities to capture further cost and operating synergies across business lines.
- Days sales outstanding (“DSO”) at quarter and year-end totaled **54 days** and was nine days lower than Q4 2020 and three days lower than Q3 2021, continuing the trend of managing collections and billings in a timely fashion.

Financial Highlights

(in thousands of Canadian dollars except per share amounts or where otherwise indicated)

	THREE MONTHS ENDED DECEMBER 31,			THREE MONTHS ENDED SEPTEMBER 30,		TWELVE MONTHS ENDED DECEMBER 31,		
	2021	2020	% Change	2021	% Change	2021	2020	% Change
Number of working days	63	63		63		251	252	
Gross revenue	\$145,872	\$135,641	8%	\$136,350	7%	\$556,510	\$505,077	10%
Less: Subconsultants and direct costs	\$33,096	\$37,058	-11%	\$26,748	24%	\$112,021	\$111,867	0%
Net revenue	\$112,776	\$98,583	14%	\$109,602	3%	\$444,489	\$393,210	13%
Net income	\$4,473	(\$929)	-	\$8,176	-45%	\$25,247	\$17,681	43%
Basic earnings per share	\$0.12	\$(0.02)	-	\$0.22	-45%	\$0.67	\$0.47	43%
Diluted earnings per share	\$0.12	\$(0.02)	-	\$0.21	-43%	\$0.66	\$0.47	40%
Cash flows provided by operating activities	\$20,624	\$20,762	-1%	\$18,066	14%	\$65,571	\$57,391	14%
Recurring billings ¹	\$5,076	\$5,300	-4%	\$5,200	-2%	\$20,635	\$20,600	0%
Days Sales Outstanding ¹	54	63	-14%	57	-5%	54	63	-14%
Backlog (\$ millions)	\$623	578	8%	\$596	5%	\$623	578	8%
Backlog (months)	17	18	-6%	17	0%	17	18	-6%
Net Debt ¹	\$22,190	\$57,188	-61%	\$33,208	-33%	\$22,190	\$57,188	-61%
Net Debt ¹ / Adj. EBITDA ^{1,2} ratio	0.4x	1.3x	-69%	0.6x	-33%	0.4x	1.3x	-69%
Net Revenue								
Intelligence	\$20,820	\$19,025	9%	\$19,618	6%	\$79,525	\$79,460	0%
Buildings	\$56,045	\$50,769	10%	\$54,603	3%	\$220,462	\$200,768	10%
Infrastructure	\$35,540	\$28,472	25%	\$35,161	1%	\$143,143	\$112,147	28%
Corporate	\$371	\$317	17%	\$220	69%	\$1,359	\$835	63%
Total	\$112,776	\$98,583	14%	\$109,602	3%	\$444,489	\$393,210	13%
Adjusted EBITDA¹ net of IFRS 16 impacts								
Intelligence	\$4,556	\$5,642	-19%	\$4,270	7%	\$17,534	\$18,545	-5%
Buildings	\$10,465	\$10,618	-1%	\$9,303	12%	\$42,900	\$39,732	8%
Infrastructure	\$4,588	\$2,786	65%	\$5,039	-9%	\$22,102	\$14,860	49%
Corporate	\$(4,705)	(\$5,367)	-12%	\$110	-	(\$14,539)	(\$12,111)	20%
Total	\$14,904	\$13,679	9%	\$18,722	-20%	\$67,997	\$61,026	11%
Adjusted EBITDA¹ net of IFRS 16 impacts as a % of net revenue								
Intelligence	22%	30%	-27%	22%	0%	22%	23%	-6%
Buildings	19%	21%	-11%	17%	12%	20%	20%	-2%
Infrastructure	13%	10%	32%	14%	-7%	15%	13%	17%
Corporate	0%	0%	-	0%	-	0%	0%	-
Total	13.2%	13.9%	-5%	17%	-22%	15.3%	15.5%	-1%

Notes:

¹ Recurring billings, net debt, net debt to Adjusted EBITDA ratio, and Adjusted EBITDA are non-IFRS measures. Refer to the "Non-IFRS Measures" section of this press release and "Definition of Non-IFRS Measures" in the MD&A for more information on each measure and a reconciliation of Adjusted EBITDA to Net Income. Since these measures are not standard measures under IFRS, they may not be comparable to similar measures reported by other entities.

² Adjusted EBITDA for bank covenant purposes.

2021 Year in Review

2021 was an exceptional year for IBI, with themes of economic re-opening and infrastructure renewal driving significant improvements across the Buildings and Infrastructure sectors. The Company realized a marked increase in net revenue from Infrastructure, which was up 28% year-over-year, while net revenue from Buildings grew 10% over 2020. In 2021, performance from the Intelligence sector remained stable relative to the previous year, which reflected ongoing impacts from COVID-19 and its variants, particularly in certain technology centres such as India, which was exacerbated by a weakening US dollar against the Canadian dollar. Into 2022, the Company anticipates building on continued momentum for its software products. With enhanced marketing efforts and the benefit of strategic acquisitions such as [Telenium](#), IBI is well positioned to drive accelerated growth in Intelligence, which sets the stage for increased recurring software billings and improved margins going forward.

In a post-COVID recovery environment, supply chain disruptions have affected many businesses, particularly in the automotive sector, as project completion delays have become increasingly common. As a technology-driven design firm, IBI has not been directly affected by supply chain issues, but has experienced inflationary pressure in the labour market, consistent with many professional service firms. Salaries, fees and employee benefits for 2021 represented 71.7% of net revenue, compared to 70.8% in 2020, and these increases are not yet reflected in IBI's incremental revenue from rate changes on projects. Despite being able to pass through some inflationary costs, IBI believes a true competitive advantage is gained due to the Company's continued investment in productivity tools that enhance efficiencies.

"While supply-chain issues, along with wage and inflationary pressures, have impacted many of our clients and remain a top-of-mind concern for investors, IBI has largely been able to navigate these challenges. We plan to continue finding efficiencies, leveraging technology and using our geographically diverse workforce to maintain, and look to expand, EBITDA margins over time," said [Scott Stewart](#), Chief Executive Officer of IBI Group Inc. "Overall margins were reduced by approximately 1% in both Q4 and full year 2021, as IBI incurred costs on a few large projects through the year without recognizing the associated revenue in the same period."

As the business environment steadily improved during 2021, IBI continued to take a disciplined and balanced capital allocation approach to manage leverage, opportunistically utilize the share buyback program and undertake accretive acquisitions. By year end 2021, the Company's net debt was reduced by \$35.0 million, driving a net debt¹ to Adjusted EBITDA¹ multiple down 69% from 1.3 times at year-end 2020 to 0.4 times at year-end 2021. The Company's syndicated credit facility was also renewed and extended to September 2025, with the addition of an accordion feature, further enhancing financial flexibility and supporting growth.

"IBI has continued to allocate free cash flow in a balanced and predictable fashion to ensure a strong capital structure, maximize our option value to pursue projects and acquisitions that are strategic, and translate those successes into real shareholder returns. We will continue to evaluate these core capital allocation options in a similar manner going forward," added [Scott Stewart](#).

On March 3, 2022, IBI [announced the appointment of new U.S. leadership](#) responsible for unified growth and integration across the Company's core technology-driven competencies in the Intelligence, Buildings and Infrastructure sectors. With 25 offices across the country working on more than 1,400 active projects, IBI is well positioned to expand its urban environment and infrastructure design presence across the U.S. market, particularly given the government's \$1 trillion infrastructure bill and a renewed focus on North American manufacturing.

While generating profit and delivering returns for shareholders is a primary objective for all organizations, IBI recognizes these must be pursued in a responsible and ethical fashion, while adhering to strong environmental, social and governance ("ESG") principles. The Company's December 2021 acquisition of environmental

remediation firm [Teranis](#) furthers this goal, in particular for projects serving and collaborating with Indigenous communities.

Business Sector Summary Highlights

Intelligence

IBI's Intelligence sector generated net revenue of \$79.5 million in 2021, a nominal increase over 2020, as growth was affected by several factors through the year. Intelligence net revenue was negatively impacted by \$2.2 million or 2.8% relative to 2020 due to foreign exchange, while the effects of the global pandemic reduced net revenue by an estimated \$1.2 million from the India office over a five-month period. A further \$1.2 million reduction in net revenue was realized as a result of transitioning between large projects in IBI's office in Greece.

With ongoing investments designed to drive organic growth in the Intelligence sector along with the accretive acquisitions made over the past two years, IBI anticipates returning to growth in this segment during 2022. The December 2021 asset purchase of [Telenium Inc.](#) enabled IBI to bolster its SaaS portfolio and increase go-forward recurring software billing to clients by an expected \$600,000 to \$700,000 on an annualized run-rate basis, while also enhancing the Company's [Travel-IQ™](#) platform. The Company will continue pursuing opportunities to generate new Intelligence revenue including from data collection, hosting firm-wide ideation sessions, and leveraging projects and channels to market initiated from the Buildings and Infrastructure segments. IBI intends to target Intelligence-focused acquisitions that are truly accretive by seeking out ventures that offer earlier-staged valuation multiples which can translate into attractive potential upside.

IBI's expanding stable of SaaS products are marketed by an internal sales team and include [Travel-IQ™](#), [Nspace](#) and the [Intelligent Traffic Management System](#) ("ITMS"), which generated real benefits during the fourth quarter. A new cloud-based configuration of the ITMS in India was completed in only four months, compared to an estimated 1.5 years that would be expected for an installation on premises. Further examples of the Company's leadership in traffic management are evidenced by IBI's five-year contract with JV Partner, Egis, to operate the Traffic Scotland National Control Centre and manage the Scottish Trunk road network, representing over 3,500 km of roads in Scotland. Leveraging expertise from across the Intelligence sector in the management of city operations and urban software as well as traffic management systems, enables IBI to provide solutions for clients that lead to more sustainable and resilient cities.

Buildings

IBI's Buildings sector posted strong performance in 2021. The Company continued work as the lead architect for the [Ford Motor Company's Research & Engineering Center](#) which will support increased innovation and collaboration at its Dearborn Campus. IBI has experienced an increase in work related to facility design as North America sees a resurgence in the manufacturing space, particularly in the automotive and electric vehicle ("EV") sectors, where the Company plays a critical role in integrating technology throughout facility design. In 2021, IBI commenced work as part of a joint design-build team on a nearly 3 million square foot expansion of an existing facility which will result in the first greenfield, dedicated EV factory to be built in North America. Located in Arizona, this facility represents a major step in expanding the accessibility of more sustainable transportation.

The Company's healthcare practice across the UK remained strong through 2021, driving net revenue in the region by over 9% relative to 2020, and offering a clear line of sight to continued work through 2022. Closer to home, IBI is also leading the design team for [History](#), an exciting new entertainment venue project in Toronto's Beaches neighbourhood. *History* features a collaboration between Live Nation and musical icon Drake to curate a premiere entertainment experience that will provide artists with a versatile and intimate destination to perform and connect with fans.

Infrastructure

IBI's Infrastructure sector improved significantly in 2021 relative to the previous year, posting 28% growth compared to 2020 and 25% growth in Q4 2021 compared to the same period in 2020. During the fourth quarter of 2021, IBI was awarded a contract from the City of Toronto to provide design, contract administration, engineering, and construction inspection services as part of the [City's Basement Flooding Protection Program \(BFPP\)](#) in the northern Etobicoke district. Leveraging the water management and civil engineering expertise gained through the [acquisition of Cole Engineering](#) earlier in the year, IBI will help the City reduce the risk of basement flooding by providing sustainable solutions to relieve pressure on existing sewer and water systems.

Also in the fourth quarter, the Company closed the acquisition of [Teranis](#), an environmental consulting firm focused on servicing First Nations communities in British Columbia, which further expands IBI's environmental, remediation and risk assessment practices. By integrating Teranis, IBI can offer additional capacity to deliver responsible solutions to Indigenous communities across Canada, complementing the Company's existing sustainability and environmental management business while further advancing its commitment to ESG.

ESG Initiatives

As part of IBI's strong commitment to ESG, helping clients protect the environment and enhance business performance, the Company has taken a strategic equity position in privately-held [Ecosystem Informatics Inc.](#) ("ESI"). With its proprietary platform, ESI is focused on environmental monitoring, diagnostics and pollution abatement solutions, which aligns with IBI's broader mission to take meaningful action against climate change by providing clients practical information needed to build resilient, connected, and smart cities of tomorrow. Through this relationship, ESI can expand its reach to urban municipalities and businesses around the world who are mandated to make changes for a cleaner, more sustainable future. The ESI equity position builds upon IBI's previous investment in [SWTCH](#), a Canadian market leader in EV charging and energy management solutions, and is a clear reflection of the Company's unwavering commitment to improve the environment.

IBI has been at the forefront of environmental responsibility in the design of client projects for many years, and consistent with that approach, have formalized the execution and reporting of its ESG program. The Company has now implemented an innovative, software-driven data collection platform that will enable IBI to track and report on ESG topics in a more fulsome manner. Leveraging this software platform, IBI intends to launch an updated ESG report in the fall of 2022. This update will feature expanded information aggregated through the platform and will align with one or more established frameworks.

2022 Guidance and Outlook

Looking ahead, IBI is pleased to provide a forecast total net revenue projection of approximately \$457 million for the year ended December 31, 2022, continuing profitable growth, with notable revenue potential emerging outside of North America. As at year-end 2021, IBI had \$623 million of work committed and under contract for the next five years, an increase of 8% across the firm relative to the same period in 2020. This represents approximately 17 months of backlog (calculated on the basis of the current pace of work that the Company has achieved during the 12 months ended December 31, 2021).

Leveraging its strong financial position and free cash flow, IBI plans to continue allocating capital to the pursuit of accretive acquisitions and investing in new products and technologies that can enhance business efficiencies and support overall margins. IBI maintains an active program to review, consider and evaluate potential acquisition opportunities. Targets include smaller transactions within the technology sector that can be leveraged across IBI's global markets, as well as opportunities in the traditional architecture, engineering and design segments focused on key sectors including transportation, water, wastewater, and the environment. Further, IBI will explore geographic expansion, looking to more vibrant market areas such as the southern United States.

During IBI's upcoming Annual Shareholder Meeting to be held on May 6th, the Company intends to unveil an updated strategic plan designed to leverage technology for ongoing growth, improve efficiencies, expand recurring revenue, while creating superior and sustainable urban environments. More details will be provided closer to the date, and IBI encourages all interested stakeholders to attend.

¹ Recurring billings, net debt, net debt to Adjusted EBITDA ratio, and Adjusted EBITDA are non-IFRS measures. Refer to the "Non-IFRS Measures" section of this press release and "Definition of Non-IFRS Measures" in the MD&A for more information on each measure and a reconciliation of Adjusted EBITDA to Net Income. Since these measures are not standard measures under IFRS, they may not be comparable to similar measures reported by other entities.

² Adjusted EBITDA for bank covenant purposes.

Investor Conference Call & Webcast

The Company will host a conference call on Friday, March 11, 2022, at 8:30 a.m. ET to discuss the fourth quarter results. IBI's Chief Executive Officer, Scott Stewart, and Chief Financial Officer, Stephen Taylor, will present IBI's financial and operating results followed by a question and answer session.

To listen to the live webcast of the conference call, please enter the following URL into your web browser: https://produceredition.webcasts.com/starthere.jsp?ei=1525458&tp_key=76d4b679be.

Q4 2021 Conference Call Details:

Date: Friday, March 11th, 2022

Time: 8:30 a.m. ET

Dial In: North America: 1-888-390-0546

Dial In: Toronto Local / International: 416-764-8688

Replay: North America: 1-888-390-0541

Replay: Toronto Local / International: 416-764-8677

Replay Passcode: #325759

A recording of the conference call will be available within 24 hours following the call on the Company's [website](#). The conference call replay will be available until March 25th, 2022.

About IBI Group Inc.

IBI Group Inc. (TSX:IBG) is a technology-driven design firm with global architecture, engineering, planning, and technology expertise spanning over 60 offices and 3,200 professionals around the world. For nearly 50 years, its dedicated professionals have helped clients create livable, sustainable, and advanced urban environments. IBI Group believes that cities thrive when designed with intelligent systems, sustainable buildings, efficient infrastructure, and a human touch. Follow IBI Group on Twitter [@ibigroup](#) and Instagram [@ibi_group](#).

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Forward-Looking Statements

Certain statements in this news release may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiary entities, including IBI Group Partnership (“IBI Group”) or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this news release, such statements use words such as “may”, “will”, “expect”, “believe”, “plan” and other similar terminology. These statements reflect management’s current expectations regarding future events and operating performance and speak only as of the date of this news release. These forward-looking statements involve a number of risks and uncertainties, including those related to: (i) the Company’s ability to maintain profitability and manage its growth; (ii) the Company’s reliance on its key professionals; (iii) competition in the industry in which the Company operates; (iv) timely completion by the Company of projects and performance by the Company of its obligations; (v) fixed-price contracts; (vi) the general state of the economy; (vii) risk of future legal proceedings against the Company; (viii) the international operations of the Company; (ix) reduction in the Company’s backlog; (x) fluctuations in interest rates; (xi) fluctuations in currency exchange rates; (xii) upfront risk of time invested in participating in consortia bidding on large projects and projects being contracted through private finance initiatives; (xiii) limits under the Company’s insurance policies; (xiv) the Company’s reliance on distributions from its subsidiary entities and, as a result, its susceptibility to fluctuations in their performance; (xv) unpredictability and volatility in the price of common shares of the Company; (xvi) the degree to which the Company is leveraged and the effect of the restrictive and financial covenants in the Company’s credit facilities; (xvii) the possibility that the Company may issue additional common shares diluting existing Shareholders’ interests; (xviii) income tax matters. These risk factors are discussed in detail under the heading “Risk Factors” in the Company’s Annual Information Form. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this news release are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of March 11th, 2022.

The factors used to develop revenue forecast in this news release include the total amount of work the Company has signed an agreement with its clients to complete, the timeline in which that work will be completed based on the current pace of work the company achieved over the last 12 months and expects to achieve over the next 12 months. The Company updates these assumptions at each reporting period and adjusts its forward-looking information as necessary.

Definition of Non-IFRS Measures

Non-IFRS measures do not have a standardized meaning within IFRS and are therefore unlikely to be comparable to additional measures presented by other issuers. In commentary and tables within this document IFRS measures are presented along with non-IFRS measures. Where non-IFRS measures are used, there is a reconciliation to IFRS amounts provided. Any changes in the definition of non-IFRS are disclosed and quantified.

Adjusted EBITDA¹ for Bank Covenant Purposes

The Company believes that Adjusted EBITDA for bank covenant purposes, defined below, is an important measure for investors to understand the Company’s ability to generate cash to honour its obligations. Management of the

Company believes that in addition to net income (loss), Adjusted EBITDA for bank covenant purposes is a useful supplemental measure as it provides readers with an indication of cash available for debt service, capital expenditures, income taxes and dividends. Readers should be cautioned, however, that Adjusted EBITDA for bank covenant purposes should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indicator of the Company's performance or to cash flows from operating activities as a measure of liquidity and cash flows.

The Company defines Adjusted EBITDA for bank covenant purposes in accordance with what is required in its lending agreements with its senior lenders.

References in this Press Release to Adjusted EBITDA for bank covenant purposes are based on EBITDA adjusted for the following items:

- Gain/loss arising from extraordinary, unusual or non-recurring items, such as debt extinguishments
- Acquisition costs and deferred consideration revenue (i.e. restructuring costs, integration costs, compensation expenses, transaction fees and expenses)
- Non-cash expenses (i.e. grant of stock options, restricted share units or Capital stock to employees as compensation)
- Gain/Loss realized upon the disposal of capital property
- Gain/loss on foreign exchange translation
- Gain/loss on purchase or redemption of securities issued by that person or any subsidiary
- Gain/loss on fair valuation of financial instruments
- Amounts attributable to minority equity investments
- Interest income

Adjusted EBITDA for bank covenant purposes is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS, and the Company's method of calculating Adjusted EBITDA for bank covenant purposes may differ from the methods used by other similar entities. Accordingly, Adjusted EBITDA for bank covenant purposes may not be comparable to similar measures used by such entities. Reconciliations of net income (loss) to adjusted EBITDA for bank covenant purposes have been provided under the heading "Reconciliation of Non-IFRS measures".

Net Debt

Net debt is a non-IFRS measure that does not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company calculates net debt as the balance of the credit facilities, debentures and other financial liabilities less the company's unrestricted cash.

Net debt as a multiple of adjusted EBITDA is determined as net debt as defined divided by Adjusted EBITDA (as defined above). There is no directly comparable measures for Net debt as a multiple of Adjusted EBITDA. Net debt as a multiple of Adjusted EBITDA is quantified under the heading "Capital Management".

Working Capital

Working Capital is a non-IFRS measure that does not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company use working capital as a measure of assessing overall liquidity and is calculated by subtracting current liabilities from current assets. There is no directly comparable IFRS measure for working capital. Working capital is quantified under the heading "Liquidity and Capital resources".

Working Capital Measured in Number of Days of Gross Billings

Included in working capital of the Company are amounts reflecting project costs and sub-consultant expenses. The Company only reports its net fee volume as revenue, which would not include the billings for the recovery of these incurred costs. Therefore, to measure number of days outstanding of working capital, the gross billings, which include the billings for recovery of project expenses, would result in more consistent calculations.

The information included is calculated based on working days on a twelve-month trailing basis, measured as days outstanding on gross billings, which is estimated to be approximately 30% greater than net fee volume.

The Company believes that informing investors of its progress in managing its accounts receivable, contract assets and contract liabilities is important for investors to anticipate cash flows from the business and to compare the Company with other businesses that operate in the same industry. There is no directly comparable IFRS measure. Working capital measured in number of Days of Gross Billings is quantified under the heading "Liquidity and Capital resources".

Billing from Recurring Software Support and Maintenance

The amount of recurring software support and maintenance gross billings represents the annualized invoice amount the Company is able to charge clients and is recognized to revenue in accordance with the Company's accounting policy through the movement in the accounts receivable and contract assets balances in the statement of financial position. There is no directly comparable IFRS measure.

<i>(in thousands of Canadian dollars)</i> <i>(Unaudited)</i>	THREE MONTHS ENDED DECEMBER 31, 2021				
	INTELLIGENCE	BUILDINGS	INFRASTRUCTURE	CORPORATE	TOTAL
Gross revenues	\$ 28,133	71,388	46,046	305	\$ 145,872
Less: subconsultants and direct expenses	7,313	15,343	10,506	(66)	33,096
Net revenue	\$ 20,820	\$ 56,045	\$ 35,540	\$ 371	\$ 112,776
Adjusted EBITDA	\$ 3,757	\$ 8,475	\$ 3,304	(4,548)	\$ 10,988
Items excluded in calculation of Adjusted EBITDA:					
Interest expense, net	210	497	349	1,010	2,066
Amortization and depreciation	1,595	2,272	1,737	7	5,611
Foreign exchange (gain) loss	(24)	(55)	50	256	227
Gain on sale of investment	-	-	-	-	-
Change in fair value of deferred share units	-	-	-	461	461
Payment of DSP	-	-	-	(380)	(380)
Stock based compensation	30	41	68	98	237
Performance share units	-	-	-	104	104
Payment of performance share units	-	-	-	-	-
Deferred financing charges	-	-	-	96	96
IFRS 16 lease accounting adjustment	(799)	(1,990)	(1,284)	157	(3,916)
Net income before tax	2,745	7,710	2,384	(6,357)	6,482

<i>(in thousands of Canadian dollars)</i> <i>(Unaudited)</i>	THREE MONTHS ENDED DECEMBER 31, 2020				
	INTELLIGENCE	BUILDINGS	INFRASTRUCTURE	CORPORATE	TOTAL
Gross revenues	\$ 25,370	\$ 72,086	\$ 37,856	\$ 329	\$ 135,641
Less: subconsultants and direct expenses	6,345	21,317	9,384	12	37,058
Net revenue	\$ 19,025	\$ 50,769	\$ 28,472	\$ 317	\$ 98,583
Adjusted EBITDA	\$ 5,107	\$ 9,612	\$ 1,455	\$ (5,534)	\$ 10,640
Items excluded in calculation of Adjusted EBITDA:					
Interest expense, net	124	269	784	5,809	6,986
Amortization and depreciation	932	2,464	1,766	160	5,322
Foreign exchange (gain) loss	(42)	406	(69)	(372)	(77)
Change in fair value of other financial liabilities	-	-	-	465	465
Change in fair value of deferred share units	-	-	-	803	803
Stock based compensation	19	23	22	97	161
Performance share units	-	-	-	97	97
Payment of performance share units	-	-	-	-	-
Deferred financing charges	-	-	-	75	75
IFRS 16 lease accounting adjustment	(535)	(1,006)	(1,331)	(167)	(3,039)
Net income before tax	\$ 4,609	\$ 7,456	\$ 283	\$ (12,501)	\$ (153)

<i>(in thousands of Canadian dollars)</i>	YEAR ENDED DECEMBER 31, 2021					
	<i>(Unaudited)</i>	INTELLIGENCE	BUILDINGS	INFRASTRUCTURE	CORPORATE	TOTAL
Gross revenues	\$	99,900	281,710	173,532	1,368	\$ 556,510
Less: subconsultants and direct expenses		20,375	61,248	30,389	9	112,021
Net revenue	\$	79,525	\$ 220,462	\$ 143,143	\$ 1,359	\$ 444,489
Adjusted EBITDA	\$	14,879	35,145	16,920	(14,065)	\$ 52,879
Items excluded in calculation of Adjusted EBITDA:			-	-	-	
Interest expense, net		624	1,826	1,333	4,240	8,023
Amortization and depreciation		4,791	9,567	7,433	26	21,817
Foreign exchange (gain) loss		6	5	434	278	723
Gain on sale of investment		-	-	-	(866)	(866)
Change in fair value of other financial liabilities		-	-	-	908	908
Change in fair value of deferred share units		-	-	-	1,430	1,430
Payment of DSP		-	-	-	(1,520)	(1,520)
Stock based compensation		119	159	247	388	913
Performance share units		-	-	-	424	424
Payment of performance share units		-	-	-	(299)	(299)
Deferred financing charges		-	-	-	490	490
IFRS 16 lease accounting adjustment		(2,655)	(7,755)	(5,182)	474	(15,118)
Net income before tax	\$	11,994	\$ 31,343	\$ 12,655	\$ (20,038)	\$ 35,954

<i>(in thousands of Canadian dollars)</i>	YEAR ENDED DECEMBER 31, 2020					
	<i>(Unaudited)</i>	INTELLIGENCE	BUILDINGS	INFRASTRUCTURE	CORPORATE	TOTAL
Gross revenues	\$	96,934	\$ 264,890	\$ 142,382	\$ 871	\$ 505,077
Less: subconsultants and direct expenses		17,474	64,122	30,235	36	111,867
Net revenue	\$	79,460	\$ 200,768	\$ 112,147	\$ 835	\$ 393,210
Adjusted EBITDA	\$	16,079	\$ 32,613	\$ 9,899	\$ (12,857)	\$ 45,734
Items excluded in calculation of Adjusted EBITDA:						
Interest expense, net		537	1,625	1,641	11,081	14,884
Amortization and depreciation		4,177	9,564	6,611	1,054	21,406
Foreign exchange (gain) loss		(98)	449	208	637	1,196
Change in fair value of other financial liabilities		-	-	-	(2,112)	(2,112)
Change in fair value of deferred share units		-	-	-	1,159	1,159
Payment of DSP		-	-	-	(184)	(184)
Stock based compensation		90	92	112	438	732
Performance share units		-	-	-	388	388
Payment of performance share units		-	-	-	(383)	(383)
Deferred financing charges		-	-	-	414	414
IFRS 16 lease accounting adjustment		(2,466)	(7,119)	(4,961)	(746)	(15,292)
Net income before tax	\$	13,839	\$ 28,002	\$ 6,288	\$ (24,603)	\$ 23,526