UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 40-F

☐ Registration Statement Pursuant to Section 12 of the Securities Exchange Act of 1934
or
☒ Annual Report Pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended **December 31, 2020**

Commission file number **001-36898**

Colliers International Group Inc.

(Exact name of Registrant as specified in its charter)

N/A
(Translation of Registrant's name into English (if applicable))

Ontario, Canada
(Province or other jurisdiction of incorporation or organization)

6500
(Primary Standard Industrial Classification Code Number (if applicable))

N/A
(I.R.S. Employer Identification Number (if applicable))

1140 Bay Street, Suite 4000
Toronto, Ontario, Canada M5S 2B4
416-960-9500
(Address and telephone number of Registrant's principal executive offices)

Mr. Santino Ferrante, Ferrante & Associates
126 Prospect Street, Cambridge, MA 02139
617-868-5000
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Subordinate Voting Shares	**CIGI**	**NASDAQ Stock Market**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual information form ☒ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

38,863,742 Subordinate Voting Shares and 1,325,694 Multiple Voting Shares as of December 31, 2020

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

PRINCIPAL DOCUMENTS

The following documents have been filed as part of this Annual Report on Form 40-F:

A. Annual Information Form

For the Registrant's Annual Information Form for the year ended December 31, 2020, see Exhibit 1 of this Annual Report on Form 40-F.

B. Audited Annual Financial Statements

For the Registrant's audited consolidated financial statements as at December 31, 2020 and 2019 and for the years ended December 31, 2020 and 2019, see Exhibit 2 of this Annual Report on Form 40-F.

C. Management's Discussion and Analysis

For the Registrant's management's discussion and analysis for the year ended December 31, 2020, see Exhibit 3 of this Annual Report on Form 40-F.

DISCLOSURE CONTROLS AND PROCEDURES

The Registrant's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Registrant's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this annual report (the "Evaluation Date"). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the Evaluation Date, the Registrant's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Registrant in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (the "SEC") and (ii) accumulated and communicated to the Registrant's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Registrant. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of its effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has excluded four individually insignificant entities acquired by the Registrant during the last fiscal period from its assessment of internal control over financial reporting as at December 31, 2020. The total assets and total revenues of the four majority-owned entities represent 16.5% and 7.0%, respectively of the related consolidated financial statement amounts as at and for the year ended December 31, 2020. The most significant of these entities, representing 13.5% and 2.8% of consolidated total assets and 3.6% and 3.0% of consolidated total revenues were related to the four subsidiaries of Dougherty Financial Group LLC – Dougherty Mortgage LLC, Dougherty & Company LLC, Dougherty Funding LLC and Dougherty Insurance Agency LLC (renamed "Colliers Mortgage" and "Colliers Securities") and Maser Consulting P.A., respectively.

Management has assessed the effectiveness of the Registrant's internal control over financial reporting as at December 31, 2020, based on the criteria set forth in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that, as at December 31, 2020, the Registrant's internal control over financial reporting was effective.

The effectiveness of the Registrant's internal control over financial reporting as at December 31, 2020 has been audited by PricewaterhouseCoopers LLP, the Registrant's independent registered public accounting firm, as stated in their report filed in Exhibit 2 of this Annual Report on Form 40-F.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the year ended December 31, 2020, there were no changes in the Registrant's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Registrant sent during the year ended December 31, 2020 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

AUDIT COMMITTEE FINANCIAL EXPERTS

The Registrant's board of directors (the "Board of Directors") has determined that it has two audit committee financial experts (as such term is defined in paragraph 8 of General Instruction B to Form 40-F) serving on its audit & risk committee (the "Audit Committee"). Each of Messrs. L. Frederick Sutherland and Peter F. Cohen have been determined by the Board of Directors to be such audit committee financial expert and is independent (as such term is defined by the corporate governance standards of the NASDAQ Stock Market ("NASDAQ") applicable to the Registrant).

Mr. Sutherland was the Executive Vice President and Chief Financial Officer of Aramark Corporation, Philadelphia, PA, a provider of services, facilities management and uniform and career apparel, from 1997 to 2015. Prior to joining Aramark in 1980, Mr. Sutherland was Vice President, Corporate Banking, at Chase Manhattan Bank, New York, NY. Mr. Sutherland is a director of Consolidated Edison, Inc. and Sterling Talent Solutions. Mr. Sutherland is also a director and former Chair of the Board of WHYY, Philadelphia's public broadcast affiliate, a trustee of Duke University, Board President of Episcopal Community Services, an anti-poverty agency, a Trustee of People's Light, a professional non-profit theater, and a trustee of the National Constitution Center. Mr. Sutherland holds an MBA Degree in Finance from the Katz School of the University of Pittsburgh and a Bachelors in Physics and Mathematics from Duke University.

Mr. Cohen is a Chartered Professional Accountant and a former partner in an audit practice of a public accounting firm. Mr. Cohen is currently the Vice Chairman and Lead Director of Colliers and the Chairman and Chief Executive Officer of a number of private companies including The Dawsco Group, Building Value Realty Group and BV Glazing Systems Inc.. Mr. Cohen was a co-founder and Chairman and Chief Executive Officer of Centrefund Realty Corporation, a publicly traded shopping center investment company until August 2000 when control of the company was sold. Mr. Cohen serves as Chair of the Board of Directors of Sinai Health in Toronto, Ontario. The SEC has indicated that the designation of each of Messrs. Sutherland and Cohen as an audit committee financial expert does not make them an "expert" for any purpose, impose on them any duties, obligations or liability that are greater than the duties, obligations or liability imposed on them as a member of the Audit Committee and the Board of Directors in absence of such designation, or affect the duties, obligations or liability of any other member of the Audit Committee or Board of Directors.

The SEC has indicated that the designation of each of Messrs. Sutherland and Cohen as an audit committee financial expert does not make them an "expert" for any purpose, impose on them any duties, obligations or liability that are greater than the duties, obligations or liability imposed on them as a member of the Audit Committee and the Board of Directors in absence of such designation, or affect the duties, obligations or liability of any other member of the Audit Committee or Board of Directors.

CODE OF ETHICS

The Registrant has adopted a Code of Ethics and Conduct that applies to all directors, officers and employees of the Registrant and its subsidiaries, and a Financial Management Code of Ethics, which applies to senior management and senior financial and accounting personnel of the Registrant and its subsidiaries. A copy of the Code of Ethics and Conduct and the Financial Management Code of Ethics can be obtained, free of charge, on the Registrant's website (www.colliers.com) or by contacting the Registrant at (416) 960-9500. Information contained or otherwise accessed through the Registrant's website or any other website, other than those documents filed as exhibits hereto or otherwise specifically referred to herein, does not form part of this Annual Report on Form 40-F, and any reference to the Registrant's website herein is as an inactive textual reference only.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets out the fees billed to the Registrant by PricewaterhouseCoopers LLP for professional services rendered in each of the years ended December 31, 2020 and 2019. During these years, PricewaterhouseCoopers LLP was the Registrant's only external auditor.

(in thousands of C$)		**Year ended December 31, 2020**		**Year ended December 31, 2019**
Audit fees (note 1)	$	2,501	$	1,868
Audit-related fees (note 2)		344		121
Tax fees (note 3)		397		518

All other fees (note 4)	46	82
	$ 3,288	$ 2,589

Notes:

1. Refers to the aggregate fees billed by the Registrant's external auditor for audit services relating to the audit of the Registrant and statutory audits required by subsidiaries.

2. Refers to the aggregate fees billed for assurance and related services by the Registrant's external auditor that are reasonably related to the performance of the audit or review of the Registrant's financial statements and are not reported under (1) above, including professional services rendered by the Registrant's external auditor for accounting consultations on proposed transactions and consultations related to accounting and reporting standards. Such fees included amounts incurred in respect of: due diligence and other work related to the disposition and acquisition of businesses, such work being unrelated to the audit of the Registrant's financial statements, as well as other audit-related services.

3. Refers to the aggregate fees billed for professional services rendered by the Registrant's external auditor for tax compliance, tax advice and tax planning.

4. Refers to fees for consulting and subscriptions to accounting and tax research tools.

The Registrant's Audit Committee pre-approves all audit services and permitted non-audit services provided to the Registrant by PricewaterhouseCoopers LLP. The Audit Committee has delegated to the Chair of the Audit Committee, who is independent, the authority to act on behalf of the Audit Committee with respect to the pre-approval of all audit and permitted non-audit services provided by its external auditors from time to time. Any approvals by the Chair are reported to the full Audit Committee at its next meeting. All of the services described in footnotes 2, 3 and 4 under "Principal Accountant Fees and Services" above were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

IDENTIFICATION OF THE AUDIT COMMITTEE

The Registrant has a separately designated standing Audit Committee established in accordance with section 3(a)(58)(A) of the Exchange Act. The members of the Audit Committee are L. Frederick Sutherland (Chair), Peter F. Cohen, John (Jack) P. Curtin, Jr. and Katherine M. Lee.

CORPORATE GOVERNANCE

The Registrant is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act and its Subordinate Voting Shares are listed on the Toronto Stock Exchange and the NASDAQ Global Select Market. NASDAQ Marketplace Rule 5615(a)(3) permits a foreign private issuer to follow its home country practices in lieu of certain requirements in the NASDAQ Listing Rules. A foreign private issuer that follows home country practices in lieu of certain corporate governance provisions of the NASDAQ Listing Rules must disclose each NASDAQ corporate governance requirement that it does not follow and include a brief statement of the home country practice the issuer follows in lieu of the NASDAQ corporate governance requirement(s), either on its website or in its annual filings with the Commission. A description of the significant ways in which the Registrant's corporate governance practices differ from those followed by domestic companies pursuant to the applicable NASDAQ Listing Rules is disclosed on the Registrant's website at https://corporate.colliers.com/en/Investor-Relations/Governance-Documents.

MINE SAFETY DISCLOSURE

Not applicable.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the staff of the SEC, and to furnish promptly, when requested to do so by the SEC staff, information relating to the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an Annual Report on Form 40-F arises; or transactions in said securities.

B. Consent to Service of Process

The Registrant has previously filed with the SEC an Appointment of Agent for Service of Process and Undertaking on Form F-X in connection with its Subordinate Voting Shares.

Any change to the name or address of the agent for service of process of the Registrant shall be communicated promptly to the SEC by an amendment to the Form F-X referencing the file number of the Registrant.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Date: February 18, 2021

COLLIERS INTERNATIONAL GROUP INC.

By: */s/ Christian Mayer*
Name: Christian Mayer
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	**Document**
1	Annual Information Form of the Registrant for the year ended December 31, 2020.
2	Audited consolidated financial statements of the Registrant as at December 31, 2020 and 2019 and for the years ended December 31, 2020 and 2019, in accordance with generally accepted accounting principles in the United States.
3	Management's discussion and analysis of the Registrant for the year ended December 31, 2020.
23	Consent of PricewaterhouseCoopers LLP.
31	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13(a)-14(a) or 15(d)-14 of the Securities Exchange Act of 1934.
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Interactive Data File.

EXHIBIT 1



COLLIERS INTERNATIONAL GROUP INC.

ANNUAL INFORMATION FORM

For the year ended December 31, 2020

February 18, 2021

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FORWARD-LOOKING STATEMENTS

This Annual Information Form contains, and incorporates by reference, "forward looking statements" which reflect the current expectations, estimates, forecasts and projections of management regarding our future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "may," "would," "could," "will," "anticipate," "believe," "plan," "expect," "intend," "estimate," "aim," "endeavour" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "Risk Factors" section of this Annual Information Form. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Annual Information Form. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained, or incorporated by reference into, this Annual Information Form are based upon what management currently believes to be reasonable assumptions, we cannot assure readers that actual results, performance or achievements will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Annual Information Form and we do not intend, and do not assume any obligation, to update or revise these forward-looking statements, except as otherwise required by law.

COLLIERS INTERNATIONAL GROUP INC.

ANNUAL INFORMATION FORM
February 18, 2021

All amounts referred to in this Annual Information Form ("AIF") are in United States dollars unless otherwise indicated. All financial and statistical data in this AIF is presented as at December 31, 2020 unless otherwise indicated.

Corporate structure

Colliers International Group Inc. was ("we," "us," "our," "Colliers," or the "Company") was formed under the *Business Corporations Act* (Ontario) by Articles of Arrangement dated June 1, 2015. The predecessor to the Company, FirstService Corporation ("Old FSV"), was formed by Articles of Incorporation dated February 25, 1988. Old FSV amalgamated with Coloma Resources Limited pursuant to Articles of Amalgamation dated July 31, 1988, and the amalgamated corporation continued as Old FSV.

By Articles of Amendment dated April 2, 1990, Old FSV: (i) consolidated each of its Class A Subordinate Voting Shares on a 30 to 1 basis and changed the designation of that class of shares to "Subordinate Voting Shares", each such share carrying one vote; and (ii) consolidated each of its Class B shares on a 30 to 1 basis and changed the designation of that class of shares to "Multiple Voting Shares", each such share carrying 20 votes.

By Certificate of Amendment dated June 27, 2007, the first series of Preference Shares of Old FSV were created and designated as 7% cumulative preference shares, series 1 (the "Preferred Shares"), with each Preferred Share having a stated value of US$25.00 and carrying a fixed cumulative annual dividend of US$1.75 payable quarterly. All outstanding Preferred Shares were eliminated on May 3, 2013 by way of a partial redemption for cash of $39.2 million immediately followed by a mandatory conversion of all then remaining Preferred Shares into Subordinate Voting Shares, which resulted in the issuance of 2.89 million new Subordinate Voting Shares.

On June 1, 2015, Old FSV completed a plan of arrangement (the "Spin-off") which separated Old FSV into two independent publicly traded companies – Colliers, a global leader in diversified professional real estate services and new FirstService Corporation ("FirstService"), the North American leader in residential property management and related services. The Spin-off was designed to enhance long-term value for shareholders by creating two independent and sustainable companies, each with the ability to pursue and achieve greater success by employing independent value creation strategies best suited to its core businesses and customers. Under the Spin-off, Old FSV shareholders received one Colliers share and one FirstService share of the same class as each Old FSV share previously held, Old FSV amalgamated with a wholly-owned subsidiary and changed its name to Colliers and FirstService adopted the name "*FirstService Corporation*".

Our Subordinate Voting Shares are publicly traded on both the Toronto Stock Exchange ("TSX") (symbol: CIGI) and The NASDAQ Stock Market ("NASDAQ") (symbol: CIGI). Our head and registered office is located at 1140 Bay Street, Suite 4000, Toronto, Ontario, M5S 2B4. Our fiscal year-end is December 31.

Intercorporate Relationships
We have the following principal subsidiaries which have total assets or revenues which exceed 10% of our total consolidated assets or revenues as at and for the year ended December 31, 2020:

Name of Subsidiary	Percentage of Voting Securities Owned	Jurisdiction of Incorporation, Continuance, Formation or Organization
Colliers International EMEA Holdings Ltd.	100%	England & Wales
Colliers International Finco (Canada) Inc.	100%	Ontario
Colliers International Financing Hungary PLC	100%	Hungary
Colliers International EMEA Finco PLC	100%	England & Wales
Colliers International Holdings (Australia) Ltd.	100%	New South Wales, Australia
Colliers International Holdings (USA), Inc.	100%	Delaware
Colliers International USA, LLC	100%	Delaware
Colliers Investment Management Holdings, Inc.	100%	Delaware
Colliers Macaulay Nicolls Inc.	100%	Ontario
Colliers Macaulay Nicolls (Cyprus) Ltd.	100%	Cyprus
Globestar Ltd.	100%	England & Wales
Harrison Street Real Estate Capital, LLC	75%	Delaware
Colliers Mortgage Holdings, LLC	78%	Delaware

The above table does not include all of the subsidiaries of Colliers.

General development of the business

Our origins date back to 1972 when Jay S. Hennick, the Chairman & CEO of the Company, started a Toronto commercial swimming pool and recreational facility management business, which became the foundation of Old FSV. In 1993, we completed our initial public offering on the TSX, raising C$20 million. In 1995, our shares were listed on NASDAQ. In 1997, a second stock offering was completed in Canada and the United States raising US$20 million. In December 2004, a stock dividend was declared effectively achieving a 2-for-1 stock split for all outstanding Subordinate Voting Shares and Multiple Voting Shares (together, the "Common Shares"). In 2009, Old FSV issued US$77 million of convertible unsecured subordinate debentures, which were subsequently converted into 2.7 million Subordinate Voting Shares in 2014.

From 1994 to present, we completed numerous acquisitions and selected divestitures, developing, growing and focusing on the real estate services provided by us today.

In 2004, we established a commercial real estate services division under the "Colliers International" brand with the acquisition of Colliers Macaulay Nicolls Inc. ("CMN"). Since that time, we have strengthened this business across markets and acquired numerous businesses within existing and new markets greatly expanding its geographic scope, services and talent. Today, Colliers is one of the world's largest commercial real estate services providers offering a full range of commercial real estate services in the United States, Canada, Australia, the United Kingdom, Germany, China and several other countries in Asia, Europe and Latin America.

In 2006, we disposed of Resolve Corporation, our Business Services division, through an initial public offering of trust units in Canada of a related income trust. In 2008, we disposed of our Integrated Security Services division, which included Intercon Security in Canada and SST in the United States, for gross cash proceeds of approximately $187.5 million. These disposals marked a significant milestone in the execution of our strategy of focusing on real estate services for future growth.

In 2013, we completed the sale of Field Asset Services, LLC, a property preservation and distressed asset management services provider, for gross cash proceeds of $55 million.

In 2015, we completed the Spin-off, creating two independent publicly traded companies: Colliers in commercial real estate services and FirstService in residential property management and related services. In connection with the Spin-off, Colliers entered into an Arrangement Agreement with, among others, FirstService dated March 11, 2015 (the "Arrangement Agreement") and a Transitional Services and Separation Agreement with, among others, FirstService dated June 1, 2015 (the "Transitional Services and Separation Agreement"). The Arrangement Agreement set out the terms and conditions to the arrangement, including the plan of arrangement, which effected the Spin-off. The Transitional Services and Separation Agreement set out the mechanics for the separation of the businesses, including the division of assets and the assumption of liabilities and matters governing certain ongoing relationships between Colliers and FirstService, including reciprocal indemnities with respect to the assets and liabilities kept by Colliers or transferred to FirstService.

On July 5, 2018, we acquired 75% of the ownership interests in Harrison Street Real Estate Capital, LLC ("Harrison Street"), a real estate investment firm dedicated to demographic-based investing with approximately $15.6 billion in assets under management as at June 30, 2018. At closing, we paid $452 million, and up to an additional $100 million is payable in 2022 based on Harrison Street achieving certain accelerated performance targets. The senior management team of Harrison Street holds the balance of the equity. Headquartered in Chicago, with an office in London, England, Harrison Street is a pioneer in demographic-based real estate investing. Since its inception in 2005, the firm has established a series of disciplined and highly differentiated investment products across multiple risk/return strategies, originating and managing a series of open and closed-end real estate investment funds and liquid securities. Harrison Street investors include sovereign wealth funds, public and corporate pension funds, endowments, insurance companies, foundations and family offices.

On May 29, 2020, we acquired a controlling interest in four subsidiaries of Dougherty Financial Group LLC - Dougherty Mortgage LLC, Dougherty & Company LLC, Dougherty Funding LLC and Dougherty Insurance Agency LLC (together "Dougherty"). Dougherty's mortgage

banking operations were rebranded as “Colliers Mortgage” which provides specialty debt financing through its relationships with US government agencies while all brokerage, investment banking, capital markets and public finance services are carried on through “Colliers Securities” which is licensed under the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (“FINRA”).

On July 13, 2020, we acquired a controlling interest in Maser Consulting P.A. (“Maser”), a leading multi-disciplinary engineering design and consulting firm in the U.S. The operation will be rebranded as “Colliers Engineering & Design Services” in the first half of 2021.

Narrative description of Colliers

History

Colliers Macaulay Nicolls Inc. (“CMN”) traces its roots back to 1898 when Macaulay Nicolls was founded in Vancouver, Canada as a property management and insurance agency. Colliers originated in 1976 in Australia through the merger of three commercial property services firms. In 1984, Colliers joined forces with Macaulay Nicolls to form CMN. Over the years, Colliers continued to grow globally as other market leading commercial real estate service providers joined the group. In 2004, Old FSV acquired a controlling interest in CMN. At the time of the acquisition by Old FSV, CMN was generating approximately $250 million in annual revenue.

With the financial and strategic support of Old FSV and a deep and experienced senior management team, CMN accelerated its growth by adding company-owned operations, expanding into complementary service areas and growing into other geographic regions. By 2010, Old FSV had unified all operations globally under the “*Colliers International*” brand name with one mission and standardized business practices delivered consistently throughout all operations. Over the past 15 years, Colliers has been one of the fastest growing major, global diversified professional real estate services and investment management companies based on revenue growth. A summary of Colliers’ history and growth initiatives to date is as follows:

Year	Event
1898	Macaulay Nicolls founded in Vancouver, Canada
1976	Colliers International Property Consultants incorporated in Australia
1984	Colliers International launches global expansion into Canada and the US as CMN
1986	Colliers International merges operations in Australia and Asia establishing operations in 20 markets in Asia Pacific
1990	Colliers International expands into emerging markets including Central Europe and Latin America
2004	Old FSV acquires a controlling interest in CMN with a long-term strategy to consolidate operations and create one global organization, under one brand with consistent business practices applied globally
2006	Between 2006 and 2010, CMN begins to strengthen and grow its global platform by acquiring additional Colliers International branded operations. In total, 29 acquisitions are completed in 15 countries around the world
2010	The US operations of Colliers combine with CMN and re-brand under as “ *Colliers International*” in all markets Original network structure is disbanded and newly re-branded Colliers International, controlled by Old FSV, becomes one of the largest and most recognized brands in commercial real estate globally
2012	Colliers acquires the Colliers International operations in the United Kingdom and Ireland and integrates them into its global platform
2013	Colliers acquires the German Colliers International operations and integrates them into its global platform
2014	Colliers International voted to the top five in Global Outsourcing 100 for the first time in its history Colliers expands to France and Belgium and strengthens operations in the Netherlands, Spain, Morocco with the acquisition of AOS Group
2015	Colliers International Group Inc. begins trading on the NASDAQ and TSX on June 2, 2015 Colliers names Jay S. Hennick as is Chairman & CEO
2017	Colliers acquires two of largest remaining non-owned Colliers International branded operations in the United States. Colliers acquires the Colliers International operations in Denmark and integrates them into its global platform
2018	In January 2018, Colliers expands to Finland with the acquisition of Ovenia Group, a leading real estate management and services company headquartered in Helsinki In July 2018, Colliers acquires a controlling interest in Harrison Street, a real estate investment management firm dedicated to demographic-based investing
2019	Colliers acquires a controlling interest in Synergy Property Development Services, a leading project management services firm in India
2020	Colliers acquires a controlling interest in Dougherty and establishes a U.S. debt finance and loan servicing platform Colliers acquires a controlling interest in Maser, a leading multi-discipline engineering design service firm in the U.S.

Service offerings

Recurring Services (50% of revenues)

Recurring services are comprised of our Outsourcing & Advisory and Investment Management segments. These services are typically higher-

value-add professional real estate services with substantially all of the revenues contractual and recurring or repeat in nature.

Outsourcing & Advisory Services

Our Outsourcing & Advisory Services operations provide corporate and workplace solutions, property and facility management services, project management services, engineering and design services, appraisal and valuation services, loan servicing and research for commercial real estate clients. We partner with large corporations in managing their overall real estate portfolios and transactions to reduce costs, improve execution across multiple markets and increase operational efficiency. Professional staff combines proprietary technology with high level strategic planning, portfolio management, lease administration and facilities and project management. Outsourcing & Advisory Services has more than 5,900 professional staff globally.

Our Outsourcing & Advisory Services include:

- *Corporate Solutions*: We work as an extension of a client's team to provide deep expertise and a comprehensive set of portfolio management, transaction management, project management, workplace solutions, strategic consulting, property and asset management as well as other corporate real estate services. Our Corporate Solutions clients are typically companies or public sector institutions with large, highly distributed and diverse real estate portfolios. We typically enter into long-term, contractual relationships with these clients to ensure that real estate strategies are developed to support their overall business needs. This service line offers clients a fully integrated suite of services under the leadership and accountability of an account leader or team who are responsible for overall performance around the world. Many of our contracts contain fees that are tied to performance against client objectives (such as cost and footprint reduction, cycle-time improvement and customer satisfaction) instead of fees based solely on transaction commissions. Our corporate solutions teams have a unified value proposition which is to deliver customized, accountable and innovative real estate solutions that result in the best service experience and alignment with our client's core business strategy. We have developed industry-leading technology through Colliers360 (which provides clients with user-friendly, fast and flexible dashboard and analytics technologies via a secure webpage) which allows us to measure performance and help our clients make efficient, well-informed decisions regarding their real estate portfolio. Colliers 360 also includes leading edge business intelligence that populates data from various independent and client related sources. During 2020, we added Workplace Expert tool to Colliers360 suite of technology apps that recommends clients different office environments and potential configurations tailored specific to their business needs. We also provide lease administration, transaction, project management and facilities management systems.

- *Property Management Services*: Property Management provides oversight and management of the daily operations of a single property or portfolio of properties and provides on-going strategic advice on ways in which clients can maximize the value of their properties. Services include building operations and maintenance, facilities management, lease administration, property accounting and financial reporting, contract management and construction management. We ensure that we implement the owner's specific property value enhancement objectives through maximization of opportunities to help clients ensure excellent tenant relations while maximizing property level cash flows.

- *Project Management Services*: We provide project management services for a wide range of projects regardless of size. These services include bid document review, construction monitoring and delivery management, contract administration and integrated cost control, development management, facility and engineering functionality, milestone and performance monitoring, quality assurance, risk management and strategic project consulting.

- *Engineering and Design Services*: We established our engineering and design service line with the acquisition of Maser Consulting in July 2020. We offer private and public sector clients in the U.S. a full range of consulting and engineering design services for property & building, infrastructure, transportation, environmental and telecommunications end-markets through a dedicated team of more than 1,000 employees. Our professionals include licensed engineers, planners, surveyors, landscape architects and environmental scientists.

- *Valuation & Advisory Services* : We provide clients with an opinion of a property's value that complies with a client's requirements and applicable professional standards and regulations to offer a nuanced understanding of the property and broader market trends. Our advisors leverage best-in-class technology to offer clients both speed and accuracy while maintaining a dedicated project leader and senior management oversight to ensure quality and accountability. Services include valuation and appraisal review and management, portfolio or single asset valuation, arbitration and consulting, highest and best use studies, tax appeals and litigation support.

- *Workplace Strategy*: We provide a full suite of visioning, change management and strategic consulting services to occupiers to maximize the effectiveness of their workplace. These consulting services are designed to help clients turn their real estate into a competitive advantage to recruit and retain talent through the analysis and design of an optimal work environment. Over the course of 2020, these services included advice on workplace optimization and strategy to address changes related to the COVID-19 pandemic.

- *Loan Servicing*: We service loans originated under contractual arrangements associated with our debt finance operations. Our services include managing the administrative aspects of the loan, including collection of monthly payments, maintenance of records and management of escrow funds among others.

- *Property Marketing*: We provide turnkey property marketing solutions for both commercial and high-end residential projects to generate demand and attract credit-worthy tenants and investors. We have made a significant investment in our property marketing strategies, increasing volumes of leads and reducing time-on-market. The majority of the leads we generate for our clients now come from online sources. By transforming the typical industry marketing mix, we can both reduce costs and decrease lease-up time. Our property marketing platform is impactful with both domestic and sophisticated international buyers.

- *Research Services*: Our Research Services provide data-driven insights for owners and landlords into emerging trends and market activity, projections for lease rates, valuation estimations based on comparable transactions and mapping services. Research Services provide insights for occupiers and tenants into future lease rates, expansion potential, potential to sublease and mapping services.

Our Outsourcing & Advisory Services revenues are derived from fees which are typically contractual, both fixed and performance based, and contract terms are often multi-year providing recurring or repeat revenues.

Investment Management

Our investment management services are primarily conducted through our subsidiary Harrison Street and its affiliates. Harrison Street is a real estate investment management firm with a differentiated investment strategy focused on demographic-based investing with approximately $33 billion in assets under management ("AUM") as at December 31, 2020. Specifically, these sectors include education, healthcare and storage as well as social and utility infrastructure in the United States and Europe. Harrison Street is a pioneer in demographic-based real estate investing, which we believe is a defensive strategy given consistent demand for underlying real estate and lower volatility in the value of real estate in these sectors.

The education, healthcare and storage sectors represent an estimated investable universe of over $1 trillion, representing a significant opportunity for continuing institutional investment. These sectors benefit from strong demographic trends, attractive risk-adjusted returns relative to real estate in other classes, liquidity (measured in terms of resale volume), inflation protection (due to shorter term leases), limited supply and market fragmentation (resulting in pricing inefficiencies).

Since its inception in 2005, Harrison Street has established a series of disciplined and highly differentiated investment products across multiple risk/return strategies, originating and managing a series of open and closed-end real estate investment funds and liquid securities. Approximately 46% of Harrison Street's AUM is held in closed end funds, 50% in open end funds and 4% in separate accounts. Harrison Street's more than 400 clients include sovereign wealth funds, public & corporate pension funds, endowments, insurance companies, foundations and family offices, with no single client comprising more than 6% of AUM. Since inception, Harrison Street has acquired or developed 1,148 properties in its target sectors aggregating investment of more than $40 billion, while realizing on $9.9 billion of assets across 467 properties. In 2020, Harrison Street was ranked 30th in the PERE Top 100 Private Real Estate Managers.

Harrison Street generates contractual management fee revenue from each fund. This fee revenue is expected to be stable and recurring due to: (i) consistent fund financial performance at or exceeding industry benchmarks; (ii) the defensive nature of the real estate sectors being invested in by the funds; and (iii) management fees for closed-end funds based on committed or invested capital rather than marked-to-market asset value, providing for revenue stability throughout the life of the funds. Management contracts generally have a term for the life of each fund but are cancellable with notice by a vote by all or a super-majority of non-affiliated investors.

Harrison Street is headquartered in Chicago, with an office in London, UK, and has nearly 200 employees led by its co-founder and CEO Christopher Merrill. Harrison Street strives to provide the best possible climate for the development and achievement of all employees and was named as the "Best Place to Work in Money Management" by Pension & Investments for seven consecutive years from 2014-2020. Mr. Merrill and other members of the senior management team hold a 25% redeemable non-controlling equity interest in Harrison Street, which is subject to an operating agreement. Colliers Global Investors, our real estate investment management operation in Europe (aside from Harrison Street) generated $12.8 million of management fee revenues for the year ended December 31, 2020 and has AUM of approximately $6 billion as of December 31, 2020.

Harrison Street, together with Colliers Global Investors, had AUM of approximately $40 billion as of December 31, 2020.

Transactional Services (50% of revenues)

We provide transaction brokerage services in sales and leasing for commercial clients as well as debt finance services related to the origination and sale of multifamily and commercial mortgage loans. Our commercial real estate advisors assist buyers and sellers in connection with the acquisition or disposition of real estate; assist landlords and tenants with lease opportunities; and assist borrowers and lenders with the placement of debt capital on commercial real estate assets. Our advisors typically perform their services for compensation based on commissions calculated on the value of a transaction. We have approximately 4,200 professional advisors globally. We execute transactions across a diverse client base, including corporations, financial institutions, governments and individuals.

We provide services for sales, leases, and mortgages in the following areas:

- *Landlord Representation*: Agency advisors work on behalf of property owners to search for and obtain tenants and other occupiers by strategically positioning and promoting the property through various campaigns and marketing channels. Our advisors look to secure the right tenants for clients' properties, help owners avoid common pitfalls of the leasing process and otherwise support landlord ownership goals for their real estate assets.

- *Tenant Representation*: Our brokerage advisors work on behalf of tenants to lease the right space in the right location and secure the most favorable terms. Our advisors help to turn a lease, often the second-greatest expenditure for a business after payroll, from a cost center into a competitive advantage that can elevate their brand, streamline their operations, attract leading talent and make a meaningful impact to their bottom line.

- *Capital Markets & Investment Services*: Colliers' Capital Markets & Investment Services advisors are professionals that work collaboratively to provide real estate expertise to our clients, acting in a consultancy capacity to help each client maximize investment returns, whether as a buyer, seller or borrower. Capital Markets & Investment Services advisors are organized into office, industrial, retail, multifamily, hospitality, healthcare and special purpose teams in order to drive thought leadership for each major asset class. Many team members also represent subspecialties in areas such as Affordable Housing, Data Centers, Student Housing, Seniors Housing, Land, Self-Storage and Transit Oriented Development. These investment teams are further organized in subsets to meet the needs of both our institutional and private capital clients, recognizing that these client groupings have different needs. These investment teams understand the intricacies of single asset and portfolio executions and, with the assistance of our advisors, are globally connected with active market participants. Integrally supporting these investment teams is a national group of debt & equity financing advisors that help both our institutional and private capital clients with senior and subordinated debt strategies and placements with a global network of capital providers. Many of our financing advisors have experience helping our clients with preferred and common equity strategies and placements, including partnership capitalizations and recapitalizations. Our financing professionals are in the market continuously with these capital sources, providing our clients with significant market intelligence and leverage when evaluating their financing needs. Our Capital Markets & Investment Services teams work closely with each service line, including property management, project management, leasing, and valuations in order to serve the broader business needs of each client.

- *Debt Finance Services*: With the acquisition of Colliers Mortgage in May 2020, we significantly strengthened our debt finance capabilities. We provide specialty debt financing for multifamily housing, healthcare and senior housing real estate through US Government Sponsored Agencies. This includes origination, underwriting, asset management and loan servicing for Fannie Mae, the Federal Housing Administration / U.S. Department of Housing and Urban Development (FHA/HUD) and the U.S. Department of Agriculture (USDA). Colliers Mortgage also provides commercial property lending to institutional investors as well as loan syndication.

- *Mortgage Investment Banking*: Colliers Securities provides brokerage, investment banking, capital markets services, public finance services and other real estate related activities.

Our professional advisors work with all asset classes, including office, industrial, retail, multi-family, hospitality, health care and mixed-use properties. In 2020, we completed 42,000 sale and lease transactions for a total transaction value of $83 billion.

Geographic locations

We deliver services from 351 offices in 36 countries companywide (not including our affiliates). Operationally we have organized our business and report our results through four segments. For the year ended December 31, 2020:

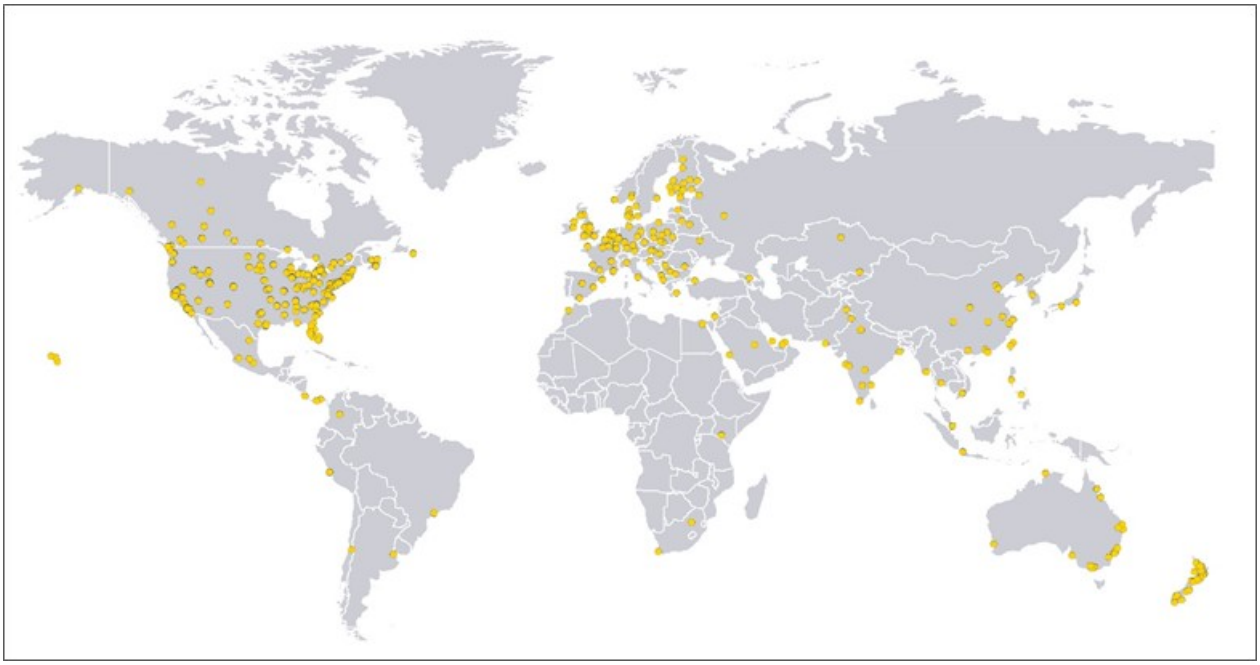
1. Americas represented 58% of our global revenues (45% generated in the United States, 11% in Canada and 2% in Latin America);

2. EMEA represented 19% of our global revenues, comprising operations in 18 countries;

3. Asia Pacific represented 17% of our revenues, comprising operations in 10 countries; and

4. Investment Management represented 6% of our revenues, comprising operations in 3 countries.

Below is a map reflecting the geographic location of our company-owned and affiliate offices:



Operating segments

Revenues by operating segment	Year ended December 31		
(in thousands of US$)	**2020**	**2019**	**2018**
Americas	$ 1,626,372	$ 1,690,507	$ 1,596,184
EMEA	516,507	636,466	623,238
Asia Pacific	470,632	542,609	528,360
Investment Management	172,594	174,588	76,021
Corporate	752	1,641	1,624
Total	$ 2,786,857	$ 3,045,811	$ 2,825,427

Operating earnings by operating segment	Year ended December 31					
(in thousands of US$ and as a % of revenues)	**2020**		**2019**		**2018**	
Americas	$ 121,371	7.5%	$ 103,731	6.1%	$ 105,490	6.6%
EMEA	8,336	1.6%	48,510	7.6%	53,862	8.6%
Asia Pacific	45,221	9.6%	67,062	12.4%	66,240	12.5%
Investment Management	40,738	23.6%	35,048	20.1%	12,326	16.2%
Corporate	(51,088)	N/A	(36,154)	N/A	(36,520)	N/A
Total	$ 164,578	5.9%	$ 218,197	7.2%	$ 201,398	7.1%

Adjusted EBITDA[1] by operating segment	Year ended December 31					
(in thousands of US$ and as a % of revenues)	**2020**		**2019**		**2018**	
Americas	$ 180,427	11.1%	$ 151,347	9.0%	$ 141,517	8.9%
EMEA	45,934	8.9%	80,342	12.6%	88,468	14.2%
Asia Pacific	66,292	14.1%	76,209	14.0%	73,421	13.9%
Investment Management	69,488	40.3%	61,907	35.5%	26,136	34.4%
Corporate	(699)	N/A	(10,329)	N/A	(18,107)	N/A
Total	$ 361,442	13.0%	$ 359,476	11.8%	$ 311,435	11.0%

Seasonality

The Company generates peak revenues and earnings in the month of December followed by a low in January and February as a result of the timing of closings on commercial real estate sales brokerage transactions. Revenues and earnings during the balance of the year are relatively even. These Capital Markets operations comprised 25% of our 2020 annual consolidated revenues. Variations can also be caused by business acquisitions or dispositions which alter the consolidated service mix.

Trademarks

Our trademarks are important for the advertising and brand awareness of our businesses. We take precautions to defend the value of our

trademarks by maintaining legal registrations and by litigating against alleged infringements, if necessary.

In markets where Colliers does not operate company-owned operations, we operate through affiliates operating under the " *Colliers International*" and "*Colliers*" brands and trademarks. To ensure brand unity and service quality, all affiliates are subject to brand and performance guidelines that are monitored and enforced by Colliers. We currently have affiliates in 31 countries around the world who together generated approximately $410 million in revenue in 2020, which are excluded from the Company's consolidated results.

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[1] Adjusted EBITDA is a financial measure that is not calculated in accordance with GAAP. For a reconciliation of this and other non-GAAP financial measures, see "Reconciliation of non-GAAP financial measures" in this AIF.

Employees
We currently have approximately 15,370 employees worldwide as follows:

Segment	Professional staff	Support & administrative staff	Total employees
Americas	4,920	3,180	8100
EMEA	2,240	940	3,180
Asia Pacific	3,060	840	3,900
Investment Management	130	60	190
Total operations	**10,350**	**5,020**	**15,370**

Non-controlling interests
We own a majority interest in substantially all of our operation s, while operating management of each subsidiary owns the remaining shares. This structure was designed to maintain control at Colliers while providing significant risks and rewards of equity ownership to management at the operating businesses. In almost all cases, we have the right to "call" management's shares, usually payable at our option with any combination of Subordinate Voting Shares or cash. We may also be obligated to acquire certain of these non-controlling interests in the event of death, disability or cessation of employment or if the shares are "put" by the holder, subject to annual limitations on these puts imposed by the relevant shareholder agreements. These arrangements provide significant flexibility to us in connection with management succession planning and shareholder liquidity matters.

Our growth strategy
We maintain a leadership position in the industry by offering a full complement of services to our wide range of customers on a global basis. Our key point of differentiation is the level of expertise and collaboration our professionals demonstrate, leading to higher levels of service for our clients. We have an established track record of expanding our business internally and through acquisitions. Our unique enterprising culture and global scale positions us well to further strengthen our market share in our core markets, expand into complementary services and increase our geographic footprint while continuing to pursue strategic acquisitions. We are focused on continuing to grow and add higher value-add and higher margin services.

Dividends and dividend policy

Dividend policy
Following the completion of the Spin-off, our Board of Directors approved a revised dividend policy for the Company, which was a dividend of $0.08 per Common Share (being the Subordinate Voting Shares and Multiple Voting Shares) per annum, payable semi-annually. On May 31, 2016, the Board of Directors increased the semi-annual dividend from $0.04 to $0.05 per Common Share ($0.10 per annum). These dividends are paid in cash after the end of the second and fourth quarters. All dividend payments are subject to the discretion of our Board of Directors. For the purposes of the *Income Tax Act* (Canada) and any similar provincial legislation, all dividends on the Common Shares will be eligible dividends unless indicated otherwise.

The terms of the Common Share dividend policy remain, among other things, at the discretion of our Board of Directors. Future dividends on the Common Shares, if any, will depend on the results of Colliers' operations, cash requirements, financial condition, contractual restrictions, business opportunities, provisions of applicable law and other relevant factors. Under the terms of the Company's debt agreements, the Company is not permitted to pay dividends, whether in cash or *in specie*, in the circumstances of an event of default thereunder occurring and continuing or an event of default occurring as a consequence thereof. See "Material contracts" below.

Dividend history
The aggregate cash dividends declared per Common Share in respect of the years ended December 31, 2020, 2019 and 2018 were $0.10, $0.10 and $0.10, respectively.

Capital structure

Share capital

The authorized capital of the Company consists of an unlimited number of preference shares (the "Preference Shares"), issuable in series, an unlimited number of Subordinate Voting Shares and an unlimited number of Multiple Voting Shares. As of February 18, 2021, there were 38,895,867 Subordinate Voting Shares and 1,325,694 Multiple Voting Shares issued and outstanding.

Common Shares

The Common Shares rank junior to the Preference Shares or series thereof ranking in priority with respect to the payment of dividends, return of capital and distribution of assets in the event of liquidation, dissolution or any distribution of the assets of Colliers for the purpose of winding-up its affairs. The holders of outstanding Common Shares are entitled to receive dividends and other distributions on a share-for-share basis (or, in the discretion of the directors, in a greater amount per Subordinate Voting Share than per Multiple Voting Share) out of the assets legally available therefor at such times and in such amounts as our Board of Directors may determine, but without preference or distinction between the Multiple Voting Shares and the Subordinate Voting Shares. The Subordinate Voting Shares carry one vote per share and the Multiple Voting Shares carry 20 votes per share. The holders of Subordinate Voting Shares and the holders of Multiple Voting Shares are entitled to receive notice of any meeting of shareholders and to attend and vote thereat as a single class on all matters to be voted on by the shareholders, except at meetings where the holders of shares of one class or of a particular series of shares are entitled to vote separately.

The rights, privileges, conditions and restrictions attaching to the Subordinate Voting Shares and the Multiple Voting Shares may be respectively modified if the amendment is authorized by at least two-thirds of the votes cast at a meeting of the holders of Subordinate Voting Shares and the holders of Multiple Voting Shares duly held for that purpose. However, if the holders of Subordinate Voting Shares, as a class, or the holders of Multiple Voting Shares, as a class, are to be affected in a manner different from the other classes of shares, such amendment must, in addition, be authorized by at least two-thirds of the votes cast at a meeting of the holders of the class of shares which is affected differently.

Each outstanding Multiple Voting Share is convertible at any time, at the option of the holder, into one Subordinate Voting Share. The Subordinate Voting Shares are not convertible into any other class of shares. No subdivision, consolidation, reclassification or other change of the Multiple Voting Shares or the Subordinate Voting Shares may be made without, concurrently, having the Multiple Voting Shares or Subordinate Voting Shares, as the case may be, subdivided, consolidated, reclassified or other change made under the same conditions. The Common Shares are not redeemable nor retractable but are able to be purchased for cancelation by Colliers in the open market, by private contract or otherwise. Upon the liquidation, dissolution or any distribution of the assets of Colliers for the purpose of winding-up its affairs, the holders of Common Shares are entitled to participate equally, on a share-for-share basis, in the remaining property and assets of Colliers available for distribution to such holders.

Preference Shares

The Preference Shares are issuable, from time to time, in one or more series, as determined by our Board of Directors. Our Board of Directors will determine, before the issue of any series of Preference Shares, the designation, preferences, rights, restrictions, conditions, limitations, priorities as to payment of dividends and/or distribution on liquidation, dissolution or winding-up, or prohibitions attaching to such series. The Preference Shares, if issued, will rank prior to the Common Shares with respect to the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of Colliers or any other distribution of assets of Colliers among its shareholders for the purpose of winding-up its affairs, and may also be given such other preferences over the Common Shares as may be determined with respect to the respective series authorized and issued. Except as required by law, the Preference Shares will not carry voting rights.

Certain rights of holders of Subordinate Voting Shares

A summary of the rights attaching to the Subordinate Voting Shares in the event that a take-over bid is made for Multiple Voting Shares is set out in the section entitled "Certain Rights of Holders of Subordinate Voting Shares" contained in our Management Information Circular to be filed in connection with our upcoming meeting of shareholders (the "2021 Circular"), which shall be incorporated by reference herein and will be available on SEDAR at www.sedar.com. Reference should be made to our articles for the full text of these provisions.

Option Plan

Colliers has a stock option plan (the "Option Plan") pursuant to which options to acquire Subordinate Voting Shares may be granted to directors, officers and full-time employees of Colliers or its subsidiaries (other than Jay S. Hennick). A summary of the terms of the Option Plan is set out in the section entitled "Executive Compensation – Incentive Award Plans of Colliers – Colliers Stock Option Plan" contained in the 2021 Circular, which is incorporated by reference herein and will be available on SEDAR at www.sedar.com. The maximum number of Subordinate Voting Shares subject to grants of options under the Option Plan is limited to 7,100,000, of which: (i) options exercisable for 2,157,500 Subordinate Voting Shares have been granted and are outstanding as at the date hereof; and (ii) options which were exercisable for 4,589,500 Subordinate Voting Shares have been exercised or expired as at the date hereof, leaving options yet to be granted which would be exercisable for 352,500 Subordinate Voting Shares.

Under the Spin-off, each holder of Old FSV stock options exchanged such options for an equivalent number of Colliers stock options and FirstService stock options, and the exercise price of the Old FSV stock options exchanged was apportioned between the Colliers stock options (as to 58.6%) and FirstService stock options (as to 41.4%). The vesting schedule and expiration dates for these post-Spin-off stock options remained the same as the Old FSV stock options for which they were exchanged. The Colliers and FirstService stock options issued in connection with the Spin-off were deemed to be a continuation of the earlier granted Old FSV stock options for which they were exchanged, as opposed to a new grant of options. The Option Plan provides that a former holder of Old FSV stock options exchanged for Colliers stock options, but who is no longer a director, officer and/or full-time employee of Colliers or its subsidiaries, may remain a participant in the Option Plan and hold and exercise their Colliers stock options for so long as such holder remains a director, officer and/or full-time employee, as applicable, of FirstService or its subsidiaries.

Convertible Notes

On May 19, 2020, the Company issued $230,000 aggregate principal of 4.0% Convertible Senior Subordinated Notes (the "Convertible Notes") at par value. The Convertible Notes will mature on June 1, 2025 and bear interest of 4.0% per annum, payable semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2020. The Convertible Notes are unsecured and subordinated to all of the Company's existing and future secured indebtedness, and are treated as equity for financial leverage calculations under the Company's

Revolving Credit Facility and Senior Notes.

The Convertible Notes were issued pursuant to, and are governed by, the trust indenture ("Trust Indenture") between the Company and Wells Fargo Bank, National Association as trustee (the "Trustee"). A copy of the Trust Indenture is available for review under Colliers's SEDAR profile at www.sedar.com.

At the holder's option, the Convertible Notes may be converted at any time prior to maturity into Subordinate Voting Shares based on an initial conversion rate of approximately 17.2507 Subordinate Voting Shares per $1,000 principal amount of Convertible Notes, which represents an initial conversion price of $57.97 per Subordinate Voting Share.

The Company, at its option, may also redeem the Convertible Notes, in whole or in part, on or after June 1, 2023 at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest, provided that the last reported trading price of the Subordinate Voting Shares for any 20 trading days in a consecutive 30 trading day period preceding the date of the notice of redemption is not less than 130% of the conversion price.

Subject to specified conditions, the Company may elect to repay some or all of the outstanding principal amount of the Convertible Notes, on maturity or redemption, through the issuance of Subordinate Voting Shares.

Market for securities

The outstanding Subordinate Voting Shares are listed for trading on the TSX and NASDAQ under the symbol "CIGI". The Multiple Voting Shares are not listed and do not trade on any public market or quotation system.

The following table sets forth the reported high and low trading prices and the aggregate volume of trading of the Subordinate Voting Shares on NASDAQ (in United States dollars) and on the TSX (in Canadian dollars) for each month in 2020.

	NASDAQ			TSX		
Month	High Price (US$)	Low Price (US$)	Volume Traded	High Price (C$)	Low Price (C$)	Volume Traded
January 2020	84.22	76.82	1,046,539	110.00	99.55	990,490
February 2020	92.07	79.38	1,345,182	122.01	105.13	1.780,600
March 2020	85.68	33.93	3,220,071	114.31	49.11	3,715,570
April 2020	63.49	43.62	2,577,071	88.40	61.75	2,167,930
May 2020	54.66	40.78	5,834,570	75.40	57.75	2,767,290
June 2020	66.20	49.54	3,078,238	89.05	70.37	2,228,230
July 2020	60.28	52.71	1,352,645	81.54	70.92	966,470
August 2020	66.43	50.95	1,798,784	88.37	68.07	1,556,940
September 2020	69.16	60.24	2,007,805	90.55	80.60	1,928,780
October 2020	73.35	63.46	1,601,591	97.70	84.00	1,308,250
November 2020	92.22	70.96	1,087,651	120.22	94.27	1,216,600
December 2020	93.30	87.04	752,441	120.15	111.00	841,140

Escrowed securities and securities subject to contractual restriction on transfer

To the knowledge of Colliers, as of the date hereof, no securities of any class of securities of Colliers are held in escrow or subject to contractual restrictions on transfer or are anticipated to be held in escrow or subject to contractual restrictions on transfer.

Transfer agents and registrars

The transfer agent and registrar for the Subordinate Voting Shares is TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1. The transfer agent and registrar for the Multiple Voting Shares is the Company at 1140 Bay Street, Suite 4000, Toronto, Ontario, M5S 2B4.

Directors and executive officers

Directors

Our Board of Directors is currently comprised of nine members. The following information is provided with respect to the directors of the Company as at February 18, 2021:

Name and municipality of residence	Age	Present position and tenure	Principal occupation during last five years

Jay S. Hennick *Ontario, Canada*	64	Chief Executive Officer & Director since May 30, 1988[4]; Chairman since June 2015.	Mr. Hennick is the Chairman and CEO of Colliers. Pre-Spin-off, Mr. Hennick was the CEO of former FirstService Corporation from 1988 to 2015. In June 2015, Mr. Hennick became the Founder and Chairman of FirstService. In 1998, Mr. Hennick was awarded Canada's Entrepreneur of the Year, in 2001 he was named Canada's CEO of the Year by Canadian Business Magazine and in 2011 and received an honorary Doctorate of Laws from York University and the University of Ottawa. In 2018, Mr. Hennick was appointed a member of the Order of Canada, and is also the 2019 International Horatio Alger Award recipient. Mr. Hennick served as past Chairman of the Board of Directors of the Sinai Health System, in Toronto, and is the immediate past Chairman of The Mount Sinai Hospital Board of Directors. In addition, Mr. Hennick has endowed the Jay S. Hennick JD-MBA Program at the Faculty of Law and School of Management at the University of Ottawa Law School, his alma mater, and The Hennick Centre for Business and Law, a joint program of the Osgoode Hall Law School and the Schulich School of Business at York University. Mr. Hennick holds a Bachelor of Arts degree from York University in Toronto and a Doctorate of Laws from the University of Ottawa.
Peter F. Cohen[1] *Ontario, Canada*	68	Vice Chair of the board, Director since March 30, 1990[4]; Chairman of the Old FSV board from May 2005 to May 2015	Mr. Cohen is a Chartered Professional Accountant and a former partner in an audit practice of a public accounting firm. Mr. Cohen is currently the Vice Chairman and Lead Director of Colliers and the Chairman and Chief Executive Officer of a number of private companies including The Dawsco Group, Building Value Realty Group and BV Glazing Systems Inc.. Mr. Cohen was a co-founder and Chairman and Chief Executive Officer of Centrefund Realty Corporation, a publicly traded shopping center investment company until August 2000 when control of the company was sold. Mr. Cohen serves as Chair of the Board of Directors of Sinai Health in Toronto, Ontario.

Name and municipality of residence	**Age**	**Present position and tenure**	**Principal occupation during last five years**
John (Jack) P. Curtin, Jr.[1,2] *Ontario, Canada*	70	Director since February 10, 2015[4]	Mr. Curtin is an Advisory Director in the Investment Banking Division of Goldman, Sachs & Co. in Toronto and New York. From July 2010 to December 2014, Mr. Curtin served as Chairman and Chief Executive of Goldman Sachs Canada Inc. From 2003 to July 2010, Mr. Curtin was Chairman of Goldman Sachs Canada Inc. From 1999 to 2003, Mr. Curtin was an Advisory Director of Goldman, Sachs & Co. in New York. From 1995 to 1999, Mr. Curtin was Chief Executive of Goldman Sachs Canada Inc. in Toronto. Prior to this assignment, Mr. Curtin was co-head of Global Money Markets and Chairman of Goldman Sachs Money Markets LP. Mr. Curtin moved to Money Markets in 1987 after serving as head of Fixed Income Syndicate/New Issues. Mr. Curtin joined the firm in 1976 in the Corporate Finance Department and was named partner in 1988 and managing director in 1996. Mr. Curtin is also a member of the Board of Directors of the Art Gallery of Ontario Foundation. He previously served as a Director of the Canada/United States Fulbright Foundation. Mr. Curtin is a former governor of the Toronto Stock Exchange, a former director of Brookfield Asset Management, Cadillac Fairview Corporation, Maxxcom Corporation and the Investment Dealers Association of Canada. Mr. Curtin served as a trustee of Lakefield College School as well as Royal St. George's College. Mr. Curtin received an MBA from Harvard in 1976 and his BA from Williams College in 1972.

Name and municipality of residence	**Age**	**Present position and tenure**	**Principal occupation during last five years**

Christopher Galvin[3] *Illinois, USA*	70	Director since September 23, 2018	Christopher Galvin is the Co-Founder of Harrison Street Real Estate Capital LLC. Additional roles include serving as either Chairman or Board Member of UniqueSoft LLC, VelociData, evolve24, Three Ocean Partners and MCR-Aerodyne Inc. Mr. Galvin's current outside activities include: Trustee and member of the Executive Committee of Northwestern University's Board of Trustees; Executive Committee and member of Dean's Advisory Board of the Kellogg School of Management at Northwestern; American Enterprise Institute Board; Legion D'Honneur; Advisory Board of Tsinghua University School of Management and Economics (Beijing); the American Society of Corporate Executives; the Board of the Chicago Council on Global Affairs; Advisory Committee on International Economic Policy of the US Department of State (ACIEP). Previously, Mr. Galvin has served in the following capacities: Chairman and CEO of Motorola Inc.; Chairman of NAVTEQ Inc.; Chairman of Cleversafe Inc.; Chairman of the U.S.-China Business Council; member of the Bechtel Corporation's Board of Counselors; member of Business Council (U.S.); director of the Rand Corporation; member of the U.S. Department of Defense Manufacturing Board; member of the U.S. Department of Defense Science Board; advisor to the City of Tianjin, China; advisor to the CEO of Hong Kong; Chair of the Rhodes Scholars selection committee for Illinois-Michigan.
P. Jane Gavan[3] Ontario, Canada	61	Director since April 8, 2020	Ms. P. Jane Gavan is the President, Asset Management of Dream Unlimited Corporation and has more than 30 years of experience in the real estate industry, having held increasingly senior positions since joining Dream. Ms. Gavan served as Chief Executive Officer of Dream Global Real Estate Investment Trust, a TSX listed real estate investment income trust (REIT) from its 2011 IPO until its sale to Blackstone in December 2019. Prior to joining Dream, Ms. Gavan served as legal counsel for numerous companies including those in the real estate industry. She began her career in private law practice with Blake, Cassels & Graydon, LLP, specializing in real estate and corporate finance. Ms. Gavan earned an Honours Bachelor of Commerce degree from Carleton University and a Bachelor of Law degree from York University's Osgoode Hall. Ms. Gavan has served on the board of directors of the Women's College Hospital Foundation and is on the Patron's Council for Community Living Toronto.

Name and municipality of residence	**Age**	**Present position and tenure**	**Principal occupation during last five years**
Stephen J. Harper[3] *Alberta, Canada*	61	Director since September 15, 2016	Mr. Harper was elected the twenty-second Prime Minister of Canada in 2006 and served in such role until 2015, making him the longest serving Conservative Prime Minster since Sir John A. MacDonald, Canada's first Prime Minister. Mr. Harper is Chairman of Harper & Associates Consulting, which is affiliated with Dentons, a leading global law firm, and acts as a strategic consultant to clients around the world, providing advice on matters relating to market access, the management of global geopolitical and economic risk and the maximization of value in global markets. Mr. Harper also serves as the Chair of the International Democrat Union and international Friends of Israel Initiative. Mr. Harper has received a bachelor and master's degree in economics from the University of Calgary, was awarded an honorary doctorate of philosophy from Tel Aviv University in 2014 and received an honorary degree from the Jerusalem College of Technology. In recognition of his government service, Mr. Harper has been awarded the Ukrainian Order of Liberty, the Woodrow Wilson Award for Public Service, the B'nai B'rith International Presidential Gold Medallion for Humanitarianism and was named as the World Statesman of the Year in 2012 by the Appeal of Conscience Foundation.
Katherine M. Lee[1,2] *Ontario, Canada*	57	Director since June 17, 2015	Ms. Lee is a seasoned executive in financial services and served as President & CEO of GE Capital Canada, a leading global provider of financial and fleet management solutions to mid-market companies operating in a broad range of economic sectors. Prior to this role, Ms. Lee served as CEO of GE Capital Real Estate in Canada from 2002 to 2010 building it to a full debt and equity operating company. Ms. Lee joined GE in 1994 where she held a number of positions including Director, Mergers & Acquisitions for GE Capital's Pension Fund Advisory Services based in San Francisco, and Managing Director of GE Capital Real Estate Korea based in Seoul and Tokyo. Ms. Lee earned a Bachelor of Commerce from the University of Toronto. She is a Chartered Professional Accountant and Chartered Accountant. She is active in the community championing Women's networks and Asian-Pacific Forums.

Name and municipality of residence	Age	Present position and tenure	Principal occupation during last five years
Benjamin F. Stein[2] *New York, USA*	35	Director since September 14, 2017	Mr. Stein is a co-founder of The Spruce House Partnership, a New York-based investment partnership. Spruce House was founded in 2005 and has investments in public companies globally and seeks to invest alongside management teams that are focused on growing the value of their companies over the long term. Mr. Stein received his Bachelor of Arts in International Relations from the University of Pennsylvania in 2008. Mr. Stein also serves on the board of The Africa Center, a New York-based institution focused on African business, culture and policy.
L. Frederick Sutherland[1] *Pennsylvania, USA*	68	Director since June 1, 2015	Mr. Sutherland was the Executive Vice President and Chief Financial Officer of Aramark Corporation, Philadelphia, PA, a provider of services, facilities management and uniform and career apparel, from 1997 to 2015. Prior to joining Aramark in 1980, Mr. Sutherland was Vice President, Corporate Banking, at Chase Manhattan Bank, New York, NY. Mr. Sutherland is a director of Consolidated Edison, Inc. and Sterling Talent Solutions. Mr. Sutherland is also a director and former Chair of the Board of WHYY, Philadelphia's public broadcast affiliate, a trustee of Duke University, Board President of Episcopal Community Services, an anti-poverty agency, a Trustee of People's Light, a professional non-profit theater, and a trustee of the National Constitution Center. Mr. Sutherland holds an MBA Degree in Finance from the Katz School of the University of Pittsburgh and a Bachelors in Physics and Mathematics from Duke University.

Notes:

1. Member of Audit & Risk Committee
2. Member of Executive Compensation Committee
3. Member of Nominating and Corporate Governance Committee
4. Member of the Old FSV board prior to the Spin-off; post Spin-off continued as a Colliers director

Each director remains in office until the following annual shareholders' meeting of the Company or until the election or appointment of their successor, unless they resign, their office becomes vacant or they become disqualified to act as a director. All directors stand for election or re-election annually.

Further background information regarding the directors of the Company will be set out in the 2021 Circular, the relevant sections of which are incorporated by reference herein and which will be available on SEDAR at www.sedar.com.

Executive officers

The following information is provided with respect to the executive officers of the Company as at February 18, 2021:

Name and municipality of residence	Age	Present position and tenure	Principal occupation during last five years
Jay S. Hennick *Ontario, Canada*	64	Chairman since June 1, 2015 and Chief Executive Officer since 1988[(1)]	See description above under "Directors".
John B. Friedrichsen *Ontario, Canada*	59	Chief Operating Officer since 2020[(1)]	Mr. Friedrichsen served as Chief Financial Officer of Colliers from 2015 to January 2020. Prior to the Spin-off, Mr. Friedrichsen served as Senior Vice President and Chief Financial Officer of Old FSV since September 2002. Mr. Friedrichsen joined Old FSV as Vice President, Acquisitions in February 1998, a position that he held until May 2000 when he became Senior Vice President, Acquisitions. Prior to joining Old FSV, Mr. Friedrichsen was a Vice President with Ernst & Young Corporate Finance Inc. in Toronto, where he was responsible for advising companies on a range of corporate finance matters, including the raising of capital and acquisitions. Mr. Friedrichsen is a Chartered Professional Accountant and began his career with a predecessor of the accounting firm KPMG in Toronto.
Christian Mayer *Ontario, Canada*	48	Chief Financial Officer since 2020 [(1)]	Mr. Mayer served as Senior Vice President Finance & Treasurer of Colliers from 2015 to January 2020. Prior to the Spin-off, Mr. Mayer served as Vice President, Finance for Old FSV. Mr. Mayer joined Old FSV in 1999. Mr. Mayer is a Chartered Professional Accountant and began his career with the accounting firms Grant Thornton and PwC, both in Toronto.

Elias Mulamoottil *Ontario, Canada*	51	Head, Strategic Investments since 2007[(1)]	Prior to the Spin-off, Mr. Mulamoottil served as Senior Vice President Strategy & Corporate Development for Old FSV since March 2011. Mr. Mulamoottil joined Old FSV in June 2007 as Vice President Strategy & Corporate Development. Prior to joining Old FSV, Mr. Mulamoottil was a partner at a Toronto based financial advisory and asset management firm, where he was responsible for the sourcing and executing of merger, acquisition, divestiture and financing transactions. Previously, Mr. Mulamoottil worked with one of Europe's leading private equity firms, Terra Firma Capital Partners, in London, England executing and managing private equity investments. Mr. Mulamoottil is a Chartered Professional Accountant and began his career at the accounting firm Deloitte.

Name and municipality of residence	**Age**	**Present position and tenure**	**Principal occupation during last five years**
Robert D. Hemming *British Columbia, Canada*	53	Senior Vice President and Chief Accounting Officer since 2008	Prior to the Spin-off, Mr. Hemming served as Chief Financial Officer-Global for Colliers where he was responsible for Collier's financial accounting, reporting, analysis and compliance functions. Prior to joining Colliers in August 2006, Mr. Hemming was the Corporate Controller–Western Canada for Bell Canada. Mr. Hemming is a Chartered Professional Accountant and a Certified General Accountant and outside of real estate, has spent his career working in the mining, forestry and telecom industries.
Rebecca Finley *Ontario, Canada*	45	Chief Brand and People Officer, since 2020	Ms. Finley is the Chief Brand & People Officer. In this role, Ms. Finley has responsibility for leading and providing global oversight for the Colliers marketing, brand, communication, and people strategies. She joined Colliers in 2018 as Senior Vice President, Brand & People. Ms. Finley has extensive leadership experience in branding, culture and business operations. Prior to Colliers, Ms. Finley served as Business Lead and Head of Technology, Telecommunications & Media at Facebook, led the Office of the CEO at Maple Leaf Foods, was a Management Consultant with the Boston Consulting Group, and worked as an Investment Banker with TD Securities. Ms. Finley holds an ICD.D from the Institute of Corporate Directors, an MBA from the Rotman School of Management and a Bachelor of Mathematics and Education from Queen's University.
Matthew Hawkins *Ontario, Canada*	38	Vice President, Legal Counsel and Corporate Secretary since 2016	Mr. Hawkins joined Colliers in 2016. Prior to joining, Mr. Hawkins previously worked as the Vice President of Legal Affairs at a TSX-listed pharmaceuticals company, and previously worked in the corporate and securities group of a leading Canadian law firm.
Zachary Michaud *Ontario, Canada*	38	Vice President, Strategic Investments since 2015	Mr. Michaud joined Colliers in 2015. Prior to joining Colliers, Mr. Michaud was a senior investment professional at one of Canada's leading private equity firms specializing in credit investing, distressed debt, operational turnarounds and activist investing. Previously, Mr. Michaud was an investment banker in Los Angeles and worked on the trading floor at two large bank owned investment dealers.

Note:

1. Prior to the Spin-off, an officer of Old FSV.

Ownership

As of February 18, 2021, the directors and executive officers of the Company, as a group, owned, or controlled or directed, directly or indirectly, 2,354,361 Subordinate Voting Shares and 1,325,694 Multiple Voting Shares, which represent 6.1% of the total Subordinate Voting Shares and 100.0% of the total Multiple Voting Shares, in each case, outstanding on such date. The directors and executive officers, as a group, controlled 43.1% of the total voting rights as of such date when all Multiple Voting Shares and Subordinate Voting Shares are considered. Mr. Hennick controls all of the Multiple Voting Shares.

Legal proceedings and regulatory actions

There are no legal proceedings to which Colliers is a party to, or in respect of which, any of the property of Colliers is the subject of, which is or was material to Colliers during 2020, and Colliers is not aware of any such legal proceedings that are contemplated. In the normal course of operations, Colliers is subject to routine immaterial claims and litigation incidental to its business. Litigation currently pending or threatened against Colliers includes disputes with former employees and commercial liability claims related to services provided by Colliers. Colliers believes resolution of such proceedings, combined with amounts set aside, will not have a material impact on the Company's financial condition or the results of operations.

During 2020, there have not been any penalties or sanctions imposed against Colliers by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body

against Colliers, and Colliers has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

Properties

The following chart provides a summary of the properties occupied by the Company and its subsidiaries as at December 31, 2020:

(square feet)	**Leased**	**Owned**	**Total**
Americas	1,484,000	-	1,484,000
EMEA	422,000	-	422,000
Asia Pacific	494,000	-	494,000
Investment Management	70,000	-	70,000
Corporate	-	20,000	20,000
Total operations	2,470,000	20,000	2,490,000

Reconciliation of non-GAAP financial measures

In this AIF, we make reference to "adjusted EBITDA" and "adjusted EPS," which are financial measures that are not calculated in accordance with GAAP.

Adjusted EBITDA is defined as net earnings, adjusted to exclude: (i) income tax; (ii) other expense (income) other than equity earnings from non-consolidated investments; (iii) interest expense; (iv) depreciation and amortization, including amortization of mortgage servicing rights ("MSRs"); (v) gains attributable to MSRs; (vi) acquisition-related items (including transaction costs, contingent consideration acquisition fair value adjustments and contingent acquisition-related compensation expense); (vii) restructuring costs and (viii) 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.

(in thousands of US$)	Year ended December 31	
	2020	2019
Net earnings	**$ 94,489**	$ 137,585
Income tax	**42,046**	53,013
Other income, net	**(2,906)**	(1,853)
Interest expense, net	**30,949**	29,452
Operating earnings	**164,578**	218,197
Depreciation and amortization	**125,906**	94,664
Gains attributable to MSRs	**(17,065)**	-
Equity earnings from non-consolidated investments	**2,919**	-
Acquisition-related items	**45,848**	28,352
Restructuring costs	**29,628**	10,252
Stock-based compensation expense	**9,628**	7,831
Adjusted EBITDA	**$ 361,442**	$ 359,476

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) amortization expense related to intangible assets recognized in connection with acquisitions and MSRs; (iii) gains attributable to MSRs; (iv) acquisition-related items; (v) restructuring costs and (vi) 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.

Year ended

(in US$)

	December 31	
	2020	2019
Diluted net earnings per common share	**$ 1.25**	$ 2.57
Non-controlling interest redemption increment	**0.37**	0.20
Amortization of intangible assets, net of tax	**1.23**	0.93
Gains attributable to MSRs net of tax	**(0.22)**	-
Acquisition-related items	**0.82**	0.58
Restructuring costs, net of tax	**0.51**	0.19
Stock-based compensation expense, net of tax	**0.22**	0.20
Adjusted EPS	**$ 4.18**	$ 4.67

We believe that the presentation of adjusted EBITDA and adjusted earnings per share, which are non-GAAP financial measures, provides important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations. We use these non-GAAP financial measures when evaluating operating performance because we believe that the inclusion or exclusion of the items described above, for which the amounts are non-cash or non-recurring in nature, provides a supplemental measure of our operating results that facilitates comparability of our operating performance from period to period, against our business model objectives, and against other companies in our industry. We have chosen to provide this information to investors so they can analyze our operating results in the same way that management does and use this information in their assessment of our core business and the valuation of the Company. Adjusted EBITDA and adjusted earnings per share are not calculated in accordance with GAAP, and should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Non-GAAP financial measures have limitations in that they do not reflect all of the costs or benefits associated with the operations of our business as determined in accordance with GAAP. As a result, investors should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP.

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 properties 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.

Risk factors

Readers should carefully consider the following risks, as well as the other information contained in this AIF and our management's discussion and analysis for the year ended December 31, 2020. If any of the following risks actually occurs, our business could be materially harmed. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties, including those of which we are currently unaware or we currently deem immaterial, may also adversely affect our business.

Risks relating to our business

Adverse impact of the COVID-19 pandemic
We are closely monitoring the impact of the COVID-19 pandemic on all aspects of our business, including how it will impact our clients, employees, and services. We have been adversely impacted on a global basis and expect that we will be adversely impacted on a global basis in future periods, and we are unable to predict the ultimate impact that it may have on our business, future results of operations, financial position or cash flows. The extent to which our operations may be impacted by this pandemic will depend largely on future developments, which are uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the outbreak and actions by government authorities to contain the pandemic or treat its impact. Furthermore, the impacts of a potential worsening of global macroeconomic conditions and the continued disruptions to, and volatility in, the financial markets remain unknown.

Operating during the global COVID-19 pandemic exposes us to multiple risks which, individually or in the aggregate, could have a material adverse effect on our business, financial condition, results of operations and cash flows, including following:

- a reduction in real estate transactions and decreases in expenditure at our clients and therefore a reduction in the demand for the services we provide;
- a decrease in property values and vacancy rates, which could negatively impact sales and leasing commissions;
- liquidity challenges, including impacts related to delayed customer payments and payment defaults associated with customer liquidity issues and bankruptcies; and
- inability to access capital or financing at favorable terms due to possible adverse effect on our liquidity and financial position; and
- the occurrence of asset impairment losses.

Further, many of the risks discussed elsewhere in "Risk Factors – Risks Related to Our Business" are, and could be further, exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result. Given the dynamic nature of these events, we cannot reasonably estimate the period of time that the COVID-19 pandemic and related market conditions will persist, the full extent of the impact they will have on our business, financial condition, results of operations or cash flows or the pace or extent of any subsequent recovery. Even after the pandemic and related containment measures subside, we may continue to experience adverse impacts to our business, financial condition and results of operations, the extent of which may be material.

Economic conditions, especially as they relate to credit conditions and business spending
During periods of economic slowdown or contraction, fiscal or political uncertainty, market volatility, disruption to global capital or credit markets our operations may be negatively affected. Credit conditions affect commercial real estate transactions, which reduces the demand for our services. Business spending directly impacts our Outsourcing & Advisory operations businesses because as businesses spend less on services, our revenues decline. These factors could also negatively impact the timing or the ultimate collection of accounts receivable, which would negatively impact our operating revenues, profitability and cash flow.

Commercial real estate property values, vacancy rates and general conditions of financial liquidity for real estate transactions
Property values have a direct impact on the commissions earned on sales transactions. Vacancy rates affect market lease rates and the duration of lease commitments, which are the basis of leasing commissions earned. Both property values and vacancy rates can influence the number of sales and leasing transactions that occur.

Economic deterioration impacting our ability to recover goodwill and other intangible assets
Expectations of future earnings drive the recoverability of goodwill and other intangible assets, which are tested, at least, on an annual basis. During the year ended December 31, 2009, Old FSV recorded a $29.6 million impairment charge to CMN's goodwill. A future deterioration of operating performance may necessitate additional non-cash impairment charges.

As a result of the changes in the current economic environment related to the COVID-19 pandemic, management has performed asset impairment testing across our reporting units. Management has concluded that no impairment loss is required to be recognized as of December 31, 2020. The testing considered a range of scenarios, but is subject to significant estimation uncertainty given the factors noted above. If there are future adverse developments, impairment losses may be required to be recognized.

A decline in our ability to generate cash from our businesses to fund future acquisitions and meet our debt obligations
We rely on our businesses to generate the necessary cash to service our financial obligations. As at December 31, 2020, we have $479.9 million of debt outstanding ($323.3 million net of cash) that will be required to be refinanced or repaid over the next seven years. To date, we have been able to meet all of our debt obligations, however with a decline in performance in some of our businesses, surplus cash may not be available to be remitted which may result in the inability to meet a debt repayment.

An important component of our growth strategy is strategic and selective acquisitions, which we tend to complete with cash. Although we have a revolving credit facility available to us as noted elsewhere in this AIF, we also rely on surplus cash on hand to fund acquisitions. If cash on hand is not available and the revolving credit facility is fully utilized, then future acquisitions may not be possible.

The effects of changes in foreign exchange rates in relation to the US dollar on our Euro, Canadian dollar, Australian dollar and UK pound sterling denominated revenues and expenses
We generate approximately 49% of our revenues outside the United States. Consequently, our consolidated results are impacted directly by fluctuations in the relative strength of the US dollar versus the Euro, Canadian dollar, Australian dollar and UK pound sterling currencies.

Political events, including elections, referenda and government positions on international trade, among other things, may impact foreign exchange rates in relation to the US dollar. In addition, we expect to acquire additional international operations in the future. As a consequence, foreign currency exchange rate fluctuations may be material in the future.

Competition in the markets served by the Company
We operate in highly competitive markets. Changes in the source and intensity of competition in the markets served by us impact the demand for our services and may result in additional pricing pressures. The relatively low capital cost of entry to certain of our businesses has led to strong competitive markets, including regional and local owner-operated companies. Regional and local competitors operating in a limited geographic area may have lower labour, benefits and overhead costs. The principal methods of competition in our businesses include name recognition, quality and speed of service, pricing, customer satisfaction and reputation. No assurance can be given that we will be able to compete successfully against current or future competitors and that the competitive pressures that we face will not result in reduced market share or negatively impact our financial performance.

A decline in performance in our Investment Management operations
The revenue, net earnings and cash flow generated by our investment management services business, which is primarily conducted through Harrison Street, can fluctuate, primarily due to the fact that management fees can vary as a result of market movements from one period to another. In the event that any of the investment programs that our investment management services business manages were to perform poorly, our revenue, net earnings and cash flow could decline because the value of the assets we manage would decrease, which would result in a reduction in management fees and incentive compensation we earn. Investors and potential investors in our programs continually assess our performance, and our ability to raise capital for existing and future programs and maintaining our current fee structure will depend on our continued satisfactory performance.

A decline in our ability to attract, recruit and retain talent
Our ability to attract and recruit talent is an important determinant of revenue growth. While the Company invests dedicated efforts in attracting, recruiting and mobilizing talent, it is possible that we are unable to hire sufficiently skilled producers, property managers, and real estate sales/leasing advisors, which can impact our ability to sustain or increase our internal revenue growth.

Labour shortages or increases in wage and benefit costs
As a services company, our primary asset is the human capital that comprises our workforce. In particular, we rely on property managers, real

estate sales/leasing advisors and other skilled staff to generate revenues. A shortage, or increase in wage and benefit costs, of this human capital could reduce our revenues and profitability.

Reliance on subcontractors
For certain of our services, we rely on external subcontractors for timely delivery and execution. Failure to manage subcontractor performance may results in higher costs and potential loss of clients.

The effects of changes in interest rates on our cost of borrowing
As at December 31, 2020, we had $129.1 million of debt, representing 16% of our total indebtedness, at variable interest rates. As a result, changes in base rates such as LIBOR affect our interest expense as these base rates fluctuate.

A decline in our performance impacting our continued compliance with the financial covenants under our debt agreements, or our ability to negotiate a waiver of certain covenants with our lenders
Although we have always been in compliance with our financial covenants, a prolonged decline in our earnings performance could result in a non-compliance with one or more financial covenants. If the Company fails to meet its payment or other obligations under its debt agreements, the lenders will be entitled to demand immediate repayment of all amounts owing and thereafter, if unpaid, exercise their creditor rights.

Unexpected increases in operating costs, such as insurance, workers' compensation, and health care
As a services company, the costs of providing services to our customers can fluctuate. Certain operating costs, such as insurance, workers' compensation and health care are based on market rates which we cannot control and, absent an offsetting price increase in our services, have a direct impact on our operating margins.

Changes in the frequency or severity of insurance incidents relative to our historical experience
Adverse changes in claims experience could increase our insurance costs and/or increase the risk of being unable to renew insurance coverage at our operations. In each of our operating segments, we effectively self-insure certain risks, with a layer of third-party insurance for catastrophic claims. An increase in the frequency or severity of claims in these areas could materially affect our financial position and results of operations. There can be no assurance that we will be able to obtain insurance coverage on favourable economic terms in the future.

A decline in the availability of suitable acquisition targets
Although the commercial real estate market remains highly fragmented, ongoing consolidation activity may limit our ability to find suitable acquisition targets. It is possible that irrational buyer behavior in the market could drive valuations higher than before, which can significantly impact our ability to close transactions on mutually favorable terms.

A decline in our ability to successfully integrate acquired operations
Failure to integrate acquisitions successfully into our existing operations can be disruptive to our business and have a material adverse impact on our operating results. Challenges in integrating operations and information technology systems acquired from other companies may also limit our ability to achieve anticipated synergies. We may experience difficulties in the assimilation of different cultures and practices, integration of systems, including accounting systems, as well as in maintaining controls, including internal control over financial reporting required by applicable securities laws and related procedures and policies. It is possible that the integration process could results in a loss of key management personnel and clients, which can severely impact profitability. In addition, we may also expose ourselves to unforeseen liabilities which may have not been identified during the due diligence process.

Changes in laws, regulations and government policies at the federal, state/provincial or local level that may adversely impact our businesses
As a multinational company, changes in laws and regulation at the different jurisdictional levels can have a direct effect on our operations. It is difficult to predict the future impact of a change in legislative and regulatory requirements affecting our businesses. The laws and regulations applicable to our businesses will likely change in the future and affect our operations and financial performance. In addition, if we were to fail to comply with any applicable law or regulation, we could be subject to substantial fines or damages, be involved in litigation, suffer losses to our reputation and suffer the loss of licenses or penalties that may affect how our business is operated, which, in turn, would have a material adverse effect on our business, financial condition and results of operations.

Risks arising from any regulatory review and litigation
The commencement of any formal regulatory reviews or investigations could result in the diversion of significant management attention and resources and, if securities or other regulators determine that a violation of securities or other laws may have occurred, or has occurred, the Company or its officers and directors may receive notices regarding potential enforcement action or prosecution and could be subject to civil or criminal penalties or other remedies. For example, the Company or its officers could be required to pay substantial damages, fines or other penalties, the regulators could seek an injunction against the Company or seek to ban an officer or director of the Company from acting as such, any of which actions would have a material adverse effect on the Company.

Risks associated with intellectual property and other proprietary rights that are material to our business
Our ability to compete effectively depends in part on our rights to service marks, trademarks, trade names and other intellectual property rights we own or license (including "*Colliers*" and "*Colliers International*"). We have not sought to register every one of our marks in every country in which they are used. Furthermore, because of the differences in foreign trademark, patent and other intellectual property or proprietary rights laws, we may not receive the same protection in other countries as we would in Canada or the United States. If we are unable to protect our proprietary information and brand names, we could suffer a material adverse effect on our business, financial condition or results of operations. Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products or services infringe their intellectual property rights. Any litigation or claims brought by or against us could result in substantial costs and diversion of our resources. A successful claim of trademark, patent or other intellectual property infringement against us, or any other successful challenge to the use of our intellectual property, could subject us to damages or prevent us from providing certain services under our recognized brand names, which could have a material adverse effect on our business, financial condition or results of operations.

Reputational risk
The Company operates in multiple global jurisdictions and is subject to various local laws and regulations. We train employees to comply with anti-bribery and workplace violence and harassment laws along with clear company-wide guidelines, internal controls and policies in place to prohibit any non-compliant behaviours. However, despite our best efforts, it is possible that violations may occur, either through our own employees or through our external partners/subcontractors, which may expose the Company to potential litigation and lawsuits and significantly harm our reputation. Reputational losses may also arise from any negative publicity, failure to meet client expectations and negative market perception.

Disruptions or security failures in our information technology systems
Our information technology systems facilitate our ability to monitor, operate and control our operations. While we have disaster recovery plans in place, any disruption in these plans or the failure of our information technology systems to operate as expected could, depending on the magnitude of the problem, adversely affect our operating results by limiting, among other things, our capacity to monitor, operate and control our operations effectively. In addition, because our systems contain information about individuals and businesses, our failure to maintain the security of the data we hold, whether the result of our own error or the malfeasance or errors of others, could harm our reputation or give rise to legal liabilities relating to violations of privacy laws or otherwise, which may lead to lower revenues, increased costs and other material adverse effects on our results of operations.

Cybersecurity risks
Cybersecurity incidents, in the form of malware, computer viruses, cyber threats, malfeasance and other types of data breaches, continue to rise. With our employees relying heavily on our information systems, some managed by third parties, we make significant efforts to maintain the security of our information systems as well as to monitor for cybersecurity threats. However, there can be no assurance that we will be able to prevent all cybersecurity incidents, which could have a material adverse impact on our operations. This could be in the form of lost revenues, unauthorized access to client and employee data, damage to our reputation, significant corrective costs and as well as material legal liabilities.

Risks related to global climate change
As global climate change policy continues to evolve and attract considerable public, scientific and regulatory attention, it could have both tangible and intangible impact on our operations, employees and clients. Moreover, we may be subject to litigation on certain properties, projects or assets that we manage that have a direct impact on the environment from governments, shareholders and environmental activists. A loss of management fee revenues as well as any litigation could materially impact our profitability, reputation as well as financial condition.

Exposure to global tax laws
Given our global footprint, we are subject to income tax laws in various jurisdictions. While we continuously manage and provision for income tax, any changes in effective tax rates within local jurisdictions can have a material impact on our net earnings.

Political conditions or events, including elections, referenda, changes to international trade and immigration policies any outbreak or escalation of terrorism or hostilities and the impact thereof on our business
Political events, uncertainties and situations can have an effect on our Company because of our global operations. Events could occur that may hamper our ability to manage operations, extract cash and implement Colliers' policies in certain regions, particularly in developing countries that have had a recent history of political and economic instability.

Risks relating to our shares

Volatility of market price of the Subordinate Voting Shares
The market price of the Subordinate Voting Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including the following:

- actual or anticipated fluctuations in our annual or quarterly results of operations;
- changes in estimates of future results of operations by us or by securities research analysts;

- changes in the economic performance or market valuations of other companies that investors deem comparable to us;
- the addition or departure of our executive officers or other key personnel;
- litigation or regulatory action against us;
- issuances or expected issuances of additional Subordinate Voting Shares or other forms of our securities;
- changes in applicable laws and regulations, including tax laws, or changes in the manner in which those laws are applied;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and
- news reports relating to the conditions in the economy in general and/or trends, concerns or competitive developments, regulatory changes and other related issues in our industry.

The volatility may affect the ability of holders of Subordinate Voting Shares to sell the Subordinate Voting Shares at an advantageous price.

Financial markets have, at times, experienced significant price and volume fluctuations that have particularly affected the market prices of securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Subordinate Voting Shares may decline even if our operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are

deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Subordinate Voting Shares by those institutions, which could adversely affect the trading price of the Subordinate Voting Shares. There can be no assurance that fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil occur, our operations could be adversely impacted and the trading price of the Subordinate Voting Shares may be adversely affected.

The impact of our dual class share structure

Our Multiple Voting Shares have twenty votes per share and our Subordinate Voting Shares have one vote per share. As at February 18, 2021, the shareholder who holds all of the Multiple Voting Shares, Henset Capital Inc. (a corporation controlled by Jay S. Hennick, our Chairman and Chief Executive Officer), holds approximately 42.7% of the voting power of all of our issued and outstanding Common Shares and therefore has significant influence over our management and affairs and over all matters requiring shareholder approval, including the election of directors and significant corporate transactions. As a result, the holder of Multiple Voting Shares has the ability to influence many matters affecting us and actions may be taken that the holders of the Subordinate Voting Shares may not view as beneficial. The market price of the Subordinate Voting Shares could be adversely affected due to the significant influence and voting power of the holder of Multiple Voting Shares. Additionally, the significant voting interest of the holder of Multiple Voting Shares may discourage transactions involving a change of control, including transactions in which an investor, as a holder of the Subordinate Voting Shares, might otherwise receive a premium for the Subordinate Voting Shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by the holder of Multiple Voting Shares.

A decline in our performance impacting our ability to pay dividends on our shares

Although we intend to make cash dividends to shareholders in accordance with our existing dividend policy, these dividends are not assured. Future dividends on the Common Shares will depend on our results of operations, financial condition, capital requirements, general business conditions and other factors that our board of directors may deem relevant. Additionally, under the Company's debt agreements, the Company is not permitted to pay dividends, whether in cash or *in specie*, in the circumstances of an event of default thereunder occurring and continuing or an event of default occurring as a consequence thereof. The market value of the Common Shares may deteriorate if we are unable to pay dividends pursuant to our existing dividend policy in the future.

Potential future dilution to the holders of the Subordinate Voting Shares

We are authorized to issue an unlimited number of Subordinate Voting Shares for consideration and terms and conditions as established by our board of directors, in many cases, without any requirement for explicit shareholder approval, and shareholders have no pre-emptive rights in connection with such further issuances. We may issue additional Subordinate Voting Shares in share offerings (including through the sale of securities convertible into or exchangeable for Subordinate Voting Shares) and pursuant to the exercise of options under our Option Plan. We cannot predict the size of future issuances of Subordinate Voting Shares or the effect that future issuances and sales of Subordinate Voting Shares will have on the market price of the Subordinate Voting Shares. Issuances of a substantial number of additional Subordinate Voting Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Subordinate Voting Shares. With any additional issuance of Subordinate Voting Shares, holders of Subordinate Voting Shares will suffer dilution and we may experience dilution in our earnings per share.

The existence of our right to issue blank cheque preference shares

The Company has the right to issue so-called "blank cheque" preference shares which may affect the voting and liquidation rights of holders of Common Shares. The Company's Board of Directors is authorized, without any further shareholder approval, to issue one or more additional series of preference shares in an unlimited number and to set the rights, privileges, restrictions and conditions attached thereto.

Risks related to our qualification as a foreign private issuer

We are a "foreign private issuer", as such term is defined in Rule 405 under the United States Securities Act of 1933, as amended, and are permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare our disclosure documents filed under the United States Securities Exchange Act of 1934, as amended ("U.S. Exchange Act"), in accordance with Canadian disclosure requirements. Under the U.S. Exchange Act, we are subject to reporting obligations that, in certain respects, are less detailed and less frequent than those of U.S. domestic reporting companies. As a result, we do not file the same reports that a U.S. domestic issuer would file with the U.S. Securities and Exchange Commission ("SEC"), although we are required to file or furnish to the SEC the continuous disclosure documents that we are required to file in Canada under Canadian securities laws. In addition, our officers, directors, and principal shareholders are exempt from the reporting and short swing profit liability provisions of Section 16 of the U.S. Exchange Act. Therefore, our shareholders may not know on as timely a basis when our officers, directors and principal shareholders purchase or sell shares, as the reporting deadlines under the corresponding Canadian insider reporting requirements are generally longer.

As a foreign private issuer, we are exempt from the rules and regulations under the U.S. Exchange Act related to the furnishing and content of proxy statements. We are also exempt from Regulation FD, which prohibits issuers from making selective disclosures of material non-public information. While we will comply with the corresponding requirements relating to proxy statements and disclosure of material non-public information under Canadian securities laws, these requirements differ from those under the U.S. Exchange Act and Regulation FD, and shareholders should not expect to receive the same information at the same time as such information is provided by U.S. domestic companies.

In addition, as a foreign private issuer, we have the option to follow certain Canadian corporate governance practices, except to the extent that such laws would be contrary to U.S. securities laws, and provided that we disclose the requirements we are not following and describe the Canadian practices we follow instead. We currently rely on this exemption with respect to requirements regarding the quorum for any meeting of our shareholders, the requirement to obtain shareholder approval prior to an issuance of securities in certain circumstances and certain responsibilities of the Executive Compensation Committee of our board of directors. We may in the future elect to follow home country practices in Canada with regard to other matters. As a result, our shareholders may not have the same protections afforded to shareholders of U.S. domestic companies that are subject to all corporate governance requirements.

Risks relating to Convertible Notes

The Convertible Notes are subordinated to all of our existing senior debt and any of our future senior debt and structurally subordinated to all liabilities of our subsidiaries, including trade payables

The Convertible Notes are our general unsecured senior subordinated obligations. They are subordinated to all of our existing and future senior debt, including borrowings under our revolving credit facility and our Senior Notes due 2028. This means that we cannot make any payments on the Convertible Notes if: (i) we have defaulted on the payment of any of our senior debt and the default is continuing; (ii) the maturity of any senior debt has been accelerated as a result of a default; or (iii) our bankruptcy, liquidation, reorganization, winding up or similar proceeding has occurred, and our senior indebtedness has not been repaid in full.

In addition, the Convertible Notes will not be obligations of or guaranteed by any of our subsidiaries. As a result, the Convertible Notes will be structurally subordinated to all liabilities and preferred shares of our subsidiaries, which means that, in the event of a bankruptcy, liquidation, reorganization, dissolution or winding up of a subsidiary, creditors and preferred shareholders of such subsidiaries will be paid from the assets of such subsidiary before holders of the Convertible Notes would have any claims to those assets.

In the event of our bankruptcy, liquidation, reorganization, winding up or other similar proceeding, we may not have sufficient assets to pay the amounts due on any or all of the Notes then outstanding.

Furthermore, the Convertible Notes are not protected by any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries.

As of December 31, 2020, our total consolidated indebtedness was approximately US$479.9 million, of which (i) approximately US$255.8 million was senior indebtedness, to which the Convertible Notes would have been subordinated; and (ii) our subsidiaries would have had approximately US$10.9 million of total indebtedness to which the Convertible Notes would have been structurally subordinated.

Risks related to debt servicing

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Convertible Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Risks related to repurchase

We are required to offer to repurchase all of the outstanding Notes upon the occurrence of a fundamental change at a fundamental change repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest, if any. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of the Convertible Notes surrendered therefor. In addition, our ability to repurchase the Notes may be limited by law, by regulatory authority or by our existing debt or other agreements governing our indebtedness. Our failure to offer to repurchase the Convertible Notes at a time when it is required by the indenture governing the Convertible Notes or to pay the fundamental change repurchase price when due as required by the indenture governing the Convertible Notes would constitute a default under such indenture. A default under the indenture governing the Notes or the fundamental change itself could also lead to a default under agreements governing our existing and future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes.

Furthermore, while we are required to repurchase all of the outstanding Convertible Notes upon the occurrence of a fundamental change, it excludes transactions such as leveraged recapitalizations, refinancings, restructurings or acquisitions initiated by us or certain permitted holders.

Risks related to redemption

We may, at our option, elect to satisfy our obligation to pay, in whole or in part, the principal amount of the Convertible Notes to be redeemed or that have matured by delivering that number of our Subordinate Voting Shares obtained by dividing the principal amount of the Notes to be redeemed or that have matured by 95% of the current market price. As the current market price will be determined prior to the applicable payment date, based on the volume-weighted average trading price of our Subordinate Voting Shares for the 30 consecutive trading days ending on the fifth trading day preceding the date of the applicable event for determination, holders of the Convertible Notes will bear market risk with respect to the value of our Subordinate Voting Shares to be received from the date such price is determined to such payment date.

Furthermore, under the terms of our amendment to our Note Agreement, we will not be permitted under our existing debt agreement to pay the principal of the Convertible Notes in cash at maturity if our Leverage Ratio is more than 2.5 to 1.0 and, in such case, we would effectively be required to elect to satisfy our obligation to pay the principal of the Notes at maturity by delivering our Subordinate Voting Shares.

Risks related to conversion

The holders of the Convertible Notes may not be adequately compensated upon conversion under certain conditions:

- If a make-whole fundamental change occurs prior to the maturity date of the Convertible Notes or upon our issuance of a notice of redemption, under certain circumstances, we will increase the conversion rate by a number of additional Subordinate Voting Shares for Notes converted in connection with such make-whole fundamental change, or the related redemption period. The increase in the conversion rate will be determined based on the date on which the specified corporate transaction becomes effective or the redemption notice date, as applicable, and the price paid (or deemed to be paid) per Subordinate Voting Share in such transaction or on such redemption notice date, The increase in the conversion rate for the Convertible Notes converted in connection with a make-whole fundamental change or during a redemption period may not adequately compensate the holders for any lost value of their Convertible Notes. In addition, if the price of our Subordinate Voting Shares in the transaction or on the related redemption notice date, as applicable, is greater than US$225.00 per share or less than US$43.75 per share (in each case, subject to adjustment), no additional shares will be added to the conversion rate. Moreover, in no event will the conversion rate per US$1,000 principal amount of Notes as a result of this adjustment exceed 22.8571 Subordinate Voting Shares.
- We are not required to increase the conversion rate for conversions in connection with a "termination of trading" or, unless we so elect, offer to repurchase the Notes upon a termination of trading. Any payment of additional interest may not adequately compensate holders for the impact of a termination of trading.The conversion rate of the Notes may not be adjusted for all dilutive events such as a third-party tender or exchange offer or an issuance of our Subordinate Voting Shares for cash or the termination of trading of our Subordinate Voting Shares, that may adversely affect the trading price of the Notes or our Subordinate Voting Shares.

Risks relating to the Spin-off

Indemnification obligations to FirstService resulting from the spin-off
In relation to the Spin-off, Colliers and FirstService have each agreed to indemnify the other for certain liabilities and obligations associated with, among other things, in the case of Colliers' indemnity, the business and assets retained by Colliers, and in the case of FirstService's indemnity, the business and assets transferred to FirstService. Colliers cannot determine whether it will be required to indemnify FirstService for any substantial obligations. Colliers also cannot be assured that, if FirstService is required to indemnify Colliers and its affiliates for any substantial obligations, FirstService will be able to satisfy such obligations. Any indemnification claim against Colliers pursuant to the provisions of the Spin-off agreements could have a material adverse effect upon Colliers. See Material Contracts – Arrangement Agreement" and "Material Contracts – Transitional Services and Separation Agreement".

Spin-off tax related risks
Colliers could be exposed to substantial tax liabilities if certain requirements of the "butterfly" rules in section 55 of the *Income Tax Act* (Canada) are not complied with. Failure to comply with these requirements could also cause the Spin-off to be taxable to FirstService in circumstances where Colliers would be required to indemnify FirstService for the resulting tax. See "Material Contracts – Transitional Services and Separation Agreement".

Potential conflicts of interest resulting from the spin-off
Certain conflicts of interest could arise as a result of the relationship between FirstService and Colliers. One of the directors of FirstService is a director and executive officer of Colliers. The directors of FirstService and Colliers have fiduciary duties to manage FirstService and Colliers, respectively, in a manner beneficial to FirstService and Colliers, respectively. The duties of the director who is on the board of directors of both FirstService and Colliers may come into conflict.

Interest of management and others in material transactions

Except as described below or elsewhere in this AIF, no director of Colliers, executive officer of Colliers, or person or company that beneficially owns, or controls or directs more than 10% of any class or series of voting securities of Colliers, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any transaction within the last three years, or during the current year, that has materially affected or is reasonably expected to materially affect Colliers or any of its subsidiaries.

Under the Spin-off, Old FSV was separated into two independent publicly traded companies – Colliers and FirstService. Pursuant to the Spin-off, Old FSV shareholders received one Colliers share and one FirstService share of the same class as each Old FSV share previously held. As a result, Jay S. Hennick received, directly or indirectly, 2,273,526 Subordinate Voting Shares and 1,325,694 Multiple Voting Shares. As at the date hereof, Mr. Hennick holds, 1,432,511 Subordinate Voting Shares and 1,325,694 Multiple Voting Shares representing 3.7% of the total outstanding number of Subordinate Voting Shares and 100.0% of the total outstanding number of Multiple Voting Shares (6.9% of total outstanding number of Common Shares; 42.7% of total votes of all Common Shares). Furthermore, as part of the Spin-off, each of the Transitional Services and Separation Agreement, the Standstill Agreement and the Colliers MSA (as such terms are defined in Old FSV's Management Information Circular dated March 16, 2015 (the "Spin-off Circular")) were entered into with, among others, Jay S. Hennick and/or entities controlled by Mr. Hennick. Further details of such agreements are described in (and incorporated by reference from) the Spin-off Circular under the headings "The Arrangement – Transitional Services and Separation Agreement", "The Arrangement – Standstill Agreement" and "Executive Compensation – Colliers MSA" of Appendix "H", respectively. Additional information concerning the Spin-off is set out in the Spin-off Circular, which is available on SEDAR at www.sedar.com.

Material contracts

The only contracts that can reasonably be regarded as material to us, other than contracts entered into in the ordinary course of business, are as follows:

(a) *Arrangement Agreement*: The Arrangement Agreement provided for the implementation of the Spin-off pursuant to Section 182 of the Business Corporations Act (Ontario) and, among other things, certain representations, warranties and covenants of the parties and certain indemnities among Colliers and FirstService. Further details of the Arrangement Agreement are described in (and incorporated by reference from) the Spin-off Circular under the heading "The Arrangement – Arrangement Agreement". The Arrangement Agreement is available on SEDAR at www.sedar.com.

(b) *Transitional Services and Separation Agreement* : In connection with the Spin-off, we entered into the Transitional Services and Separation Agreement to, among other things, complete the transfer of the FirstService Residential and FirstService Brands businesses to FirstService. The Transitional Services and Separation Agreement also sets forth the agreement of the parties with respect to certain transitional arrangements governing the relationship between Colliers and FirstService, the responsibility and liability for outstanding legal actions, responsibility for taxes, access to books and records, confidentiality, insurance and dispute resolution. Under the terms of the Transitional Services and Separation Agreement, we have generally agreed to indemnify FirstService and its subsidiaries from and against any liabilities associated with, among other things, the FirstService Residential and FirstService Brands businesses and assets, whether relating to the period, or arising, prior to or after the Spin-off. The Transitional Services and Separation Agreement contains a reciprocal indemnity under which FirstService generally agrees to indemnify us and our subsidiaries from and against any liabilities relating to, among other things, the businesses and assets retained by Colliers. FirstService and Colliers will indemnify each other with respect to non-performance of our respective obligations under the Transitional Services and Separation Agreement. Further details of the Transitional Services and Separation Agreement are described in (and incorporated by reference from) the Spin-off Circular under the heading "The Arrangement – Transitional Services and Separation Agreement". The Transitional Services and Separation Agreement is available on SEDAR at www.sedar.com.

(c) *Revolving Credit Facility*: On April 4, 2019, we amended our existing credit agreement with a syndicate of lenders to provide for the Revolving Credit Facility which has a financing capacity of $1.0 billion, for a new five-year term ending April 30, 2024 (the term of our prior credit facility ended April 18, 2023). The Revolving Credit Facility bears interest at 1.25% to 2.50% over floating reference rates, depending on certain leverage ratios, and requires that we pay a commitment fee of 0.25% to 0.50% of the unused portion of the Revolving Credit Facility, depending on certain leverage ratios. At any time during its term, we have the right to increase the Revolving Credit Facility by up to $250.0 million, on the same terms and conditions. In 2020, certain amendments to the credit agreement were entered into in order to permit our acquisition of Colliers Mortgage and to facilitate increases in certain warehouse financing arrangements entered into thereby. The credit agreement relating to the Revolving Credit Facility is available on SEDAR at www.sedar.com.

(d) *Senior Notes:* We issued €210 million of senior unsecured notes (the "Senior Notes") pursuant to a note purchase agreement dated May 17, 2018 (the "Note Agreement"), with a ten-year term ending May 30, 2028 and a fixed interest rate of 2.23%, which Senior Notes were placed privately and rank equally with the Revolving Credit Facility in terms of seniority. The proceeds of this issuance were drawn on May 30, 2018, and we used the net proceeds to reduce outstanding borrowings under the Revolving Credit Facility and for general corporate purposes. We may prepay the Senior Notes at any time without penalty in an amount not less than 5% of the aggregate principal amount of the notes then outstanding. The financial covenants contained in the Note Agreement require that we maintain a net debt to consolidated EBITDA ratio of not more than 3.5, an interest coverage ratio of greater than 2.0 and to ensure that our priority debt does not at any time exceed 7.5% of our consolidated total assets. To date, we have complied with the foregoing covenants. All outstanding amounts under the Senior Notes must be repaid by the earlier of May 30, 2028 and the occurrence of an event of default under the Note Agreement. We are prohibited under the Note Agreement from undertaking certain acquisitions and dispositions, and incurring certain indebtedness and encumbrances, without prior approval of the holders of the Senior Notes. In 2020, certain amendments to the Note Agreement were entered into in order to permit our acquisition of Colliers Mortgage and to facilitate increases in certain warehouse financing arrangements entered into thereby. The Note Agreement is available on SEDAR at www.sedar.com.

(e) *AR Facility:* On April 12, 2019, the Company established a structured accounts receivable facility (the "AR Facility") with committed availability of $125 million and an initial term of 364 days, unless extended or an earlier termination event occurs. On April 27, 2020, we renewed and extended our AR Facility with a third-party financial institution. The AR Facility has committed availability of $125,000 with a term of 364 days extending to April 26, 2021. Under the AR Facility, certain of the Company's subsidiaries continuously sell trade accounts receivable and contract assets (the "Receivables") to wholly owned special purpose entities at fair market value. The special purpose entities then sell 100% of the Receivables to a third-party financial institution. Although the special purpose entities are wholly owned subsidiaries of the Company, they are separate legal entities with their own separate creditors who will be entitled, upon their liquidation, to be satisfied out of their assets prior to any assets or value in such special purpose entities becoming available to their equity holders and their assets are not available to pay other creditors of the Company. The agreements relating to the AR Facility are available on SEDAR at www.sedar.com.

(f) *Convertible Notes:* On May 19, 2020, we completed our Convertible Notes offering for gross proceeds of US$230 million (including $30 million pursuant to the exercise of the initial purchasers' over-allotment option). The proceeds of the issuance were use to repay a portion of the indebtedness under the revolving credit facility. The Convertible Notes are unsecured and will mature on June 1, 2025. The Convertible Notes bear cash interest semiannually at a rate of 4.00% per annum. The initial conversion rate for the Convertible Notes is 17.2507 Subordinate Voting Shares per US$1,000 principal amount of Convertible Notes, equivalent to an initial conversion price of approximately US$57.97 per Subordinate Voting Share. The initial conversion rate represents a premium of approximately 32.5% relative to the closing sale price of the Subordinate Voting Shares on the NASDAQ Global Select Market on May 14, 2020 and is subject to adjustment in certain events. The Convertible Notes are redeemable by Colliers at its option in certain circumstances after June 1, 2023 at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued interest. Holders have the right to require Colliers to repurchase their Convertible Notes upon the occurrence of certain events at a purchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest. Subject to specified conditions, Colliers has the right to repay the outstanding principal amount of the Notes, on maturity or redemption, through the issuance of its Subordinate Voting Shares. The trust indenture relating to the Convertible Notes is available on SEDAR at www.sedar.com.

(g) *Management Services Agreement*: Colliers has entered into a restated management services agreement (the "Management Services Agreement") with Jayset Management CIG Inc. ("Jayset") and Jay S. Hennick. Mr. Hennick is a director, an officer and the sole indirect shareholder of Jayset. Under the terms of the Management Services Agreement, Mr. Hennick performs the services of Chairman and CEO of Colliers on behalf of Jayset. The particulars of the Management Services Agreement are set out in the section entitled "Executive Compensation – Management Contract" contained in the 2021 Circular, which section is incorporated herein by reference.

Cease trade orders, bankruptcies, penalties or sanctions

To the best of the knowledge of the Company:

(1) none of the directors or executive officers of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

(2) none of the directors or executive officers of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control the Company : (a) is, as at the date of this AIF, or has been, within 10 years before the date of this AIF , a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of interest

Certain directors and officers of the Company are engaged in and will continue to engage in activities outside the Company, and as a result, certain directors and officers of the Company may become subject to conflicts of interest. The *Business Corporations Act* (Ontario) provides that in the event that a director or officer has an interest in a contract or proposed contract or agreement, the director or officer shall disclose his or her interest in such contract or agreement and, in the case of directors, shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the *Business Corporations Act* (Ontario). To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the *Business Corporations Act* (Ontario).

As at the date hereof, the Company is not aware of any existing or potential material conflicts of interest between the Company and a director or officer of the Company.

Independent registered public accounting firm

The Company's independent registered public accounting firm is PricewaterhouseCoopers LLP, who has issued a report dated February 18, 2021 on the Company's consolidated financial statements as of December 31, 2020 and 2019 and for each of the years in the two-year period ended December 31, 2020 and on the effectiveness of the Company's internal control over financial reporting as at December 31, 2020. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario and the rules and regulations of the U.S. Securities and Exchange Commission and the Public Company Accounting Oversight Board (United States) ("PCAOB"). PricewaterhouseCoopers LLP is registered with the PCAOB.

Audit & Risk Committee

The Audit & Risk Committee (the "ARC") is comprised of four members who are each "independent" and "financially literate" as required by Multilateral Instrument 52-110 *Audit Committees* (the "Audit Committee Rule"). The ARC has the resources and the authority to discharge its responsibilities, including the authority to engage, at the expense of Colliers, outside consultants, independent legal counsel and other advisors as it determines necessary to carry out its duties, without seeking approval our Board of Directors or management. The ARC also has the authority to conduct any investigation necessary and appropriate to fulfilling its responsibilities and has direct access and authority to communicate directly with the external auditors, legal counsel and officers and employees of Colliers. The ARC meets six times annually, or more frequently as circumstances dictate.

The ARC reviews the annual and interim financial statements intended for circulation among shareholders and reports upon these to the Board prior to their approval by our Board of Directors. The ARC is also responsible for reviewing the integrity of Colliers' financial reporting process, both internal and external, and any major issues as to the adequacy of the internal controls and any special audit procedures adopted in light of any material control deficiencies. The ARC communicates directly with Colliers' external auditors in order to discuss audit and related matters

whenever appropriate. In addition, our Board of Directors may refer to the ARC such matters and questions relating to the financial position and operations of Colliers and its subsidiaries. All reports made to Colliers' ethics hotline are reviewed by the Chair of the ARC and then by the entire ARC at its next meeting. Our Board of Directors has adopted an ARC mandate, a copy of which is annexed as Exhibit "A" to this AIF.

The education and related experience of each of the members of the ARC that is relevant to the performance by such members of their responsibilities on such committee is described below.

L. Frederick Sutherland (Chair) – Mr. Sutherland was the Executive Vice President and Chief Financial Officer of Aramark Corporation, Philadelphia, PA, a provider of services, facilities management and uniform and career apparel, from 1997 to 2015. Prior to joining Aramark in 1980, Mr. Sutherland was Vice President, Corporate Banking, at Chase Manhattan Bank, New York, NY. Mr. Sutherland is a director of Consolidated Edison, Inc. and Sterling Talent Solutions. Mr. Sutherland is also a director and former Chair of the Board of WHYY, Philadelphia's public broadcast affiliate, a trustee of Duke University, Board President of Episcopal Community Services, an anti-poverty agency, a Trustee of People's Light, a professional non-profit theater, and a trustee of the National Constitution Center. Mr. Sutherland holds an MBA Degree in Finance from the Katz School of the University of Pittsburgh and a Bachelors in Physics and Mathematics from Duke University.

Peter F. Cohen – Mr. Cohen is a Chartered Professional Accountant and a former partner in an audit practice of a public accounting firm. Mr. Cohen is currently the Vice Chairman and Lead Director of Colliers and the Chairman and Chief Executive Officer of a number of private companies including The Dawsco Group, Building Value Realty Group and BV Glazing Systems Inc.. Mr. Cohen was a co-founder and Chairman and Chief Executive Officer of Centrefund Realty Corporation, a publicly traded shopping center investment company until August 2000 when control of the company was sold. Mr. Cohen serves as Chair of the Board of Directors of Sinai Health in Toronto, Ontario.

John (Jack) P. Curtin, Jr. – Mr. Curtin is an Advisory Director in the Investment Banking Division of Goldman, Sachs & Co. in Toronto and New York. From July 2010 to December 2014, Mr. Curtin served as Chairman and Chief Executive of Goldman Sachs Canada Inc. From 2003 to July 2010, Mr. Curtin was Chairman of Goldman Sachs Canada Inc. From 1999 to 2003, Mr. Curtin was an Advisory Director of Goldman, Sachs & Co. in New York. From 1995 to 1999, Mr. Curtin was Chief Executive of Goldman Sachs Canada Inc. in Toronto. Prior to this assignment, Mr. Curtin was co-head of Global Money Markets and Chairman of Goldman Sachs Money Markets LP. Mr. Curtin moved to Money Markets in 1987 after serving as head of Fixed Income Syndicate/New Issues. Mr. Curtin joined the firm in 1976 in the Corporate Finance Department and was named partner in 1988 and managing director in 1996. Mr. Curtin is also a member of the Board of Directors of the Art Gallery of Ontario Foundation. He previously served as a Director of the Canada/United States Fulbright Foundation. Mr. Curtin is a former governor of the Toronto Stock Exchange, a former director of Brascan Corporation, Brookfield Asset Management, Cadillac Fairview Corporation, Maxxcom Corporation and the Investment Dealers Association of Canada. Mr. Curtin served as a trustee of Lakefield College School as well as Royal St. George's College. Mr. Curtin received an MBA from Harvard in 1976 and his BA from Williams College in 1972.

Katherine M. Lee – Ms. Lee is a seasoned executive in financial services and served as President & CEO of GE Capital Canada, a leading global provider of financial and fleet management solutions to mid-market companies operating in a broad range of economic sectors. Prior to this role, Ms. Lee served as CEO of GE Capital Real Estate in Canada from 2002 to 2010 building it to a full debt and equity operating company. Ms. Lee joined GE in 1994 where she held a number of positions including Director, Mergers & Acquisitions for GE Capital's Pension Fund Advisory Services based in San Francisco and Managing Director of GE Capital Real Estate Korea based in Seoul and Tokyo. Ms. Lee earned a Bachelor of Commerce from the University of Toronto. She is a Chartered Professional Accountant and Chartered Accountant. She is active in the community championing Women's networks and Asian-Pacific Forums.

The Audit Committee Rule requires the Company to disclose whether its ARC has adopted specific policies and procedures for the engagement of non-audit services and to prepare a summary of these policies and procedures. The mandate of the ARC provides that it is such committee's responsibility to: (a) approve the appointment and, when circumstances warrant, discharge of the external auditor and monitor its qualifications, performance and independence; (b) approve and oversee the disclosure of all audit services provided by the external auditor to the Company or any of its subsidiaries, determining which non-audit services the external auditor are prohibited from providing and, exceptionally, pre-approve and oversee the disclosure of permitted non-audit services to be performed by the external auditor, in accordance with applicable laws and regulations; and (c) approve the basis and amount of the external auditor's fees and other significant compensation. The ARC has adopted a pre-approval policy pursuant to which the Company may not engage the Company's external auditor to carry out certain non-audit services that are deemed inconsistent with the independence of auditors under U.S. and Canadian applicable laws. The ARC must pre-approve all audit services as well as permitted non-audit services. The ARC has delegated to the Chair of the Audit Committee, who is independent, the authority to act on behalf of the ARC with respect to the pre-approval of all audit and permitted non-audit services provided by its external auditors from time to time. Any approvals by the Chair are reported to the full ARC at its next meeting.

In addition to performing the integrated audit of the Company's annual consolidated financial statements and effectiveness of internal control over financial reporting, PricewaterhouseCoopers LLP provided other services to the Company and they billed the Company the following fees for each of the Company's two most recently completed years:

(in thousands of C$)	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Audit fees (note 1)	$2,501	$1,868
Audit-related fees (note 2)	344	121
Tax fees (note 3)	397	518
All other fees (note 4)	46	82

	$3,288	$2,589

Notes:

1. Refers to the aggregate fees billed by the Company's external auditor for audit services relating to the audit of the Company and statutory audits required by subsidiaries.
2. Refers to the aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under (1) above, including professional services rendered by the Company's external auditor for accounting consultations on proposed transactions and consultations related to accounting and reporting standards. Such fees included amounts incurred in respect of: due diligence and other work related to the disposition and acquisition of businesses, such work being unrelated to the audit of the Company's financial statements, as well as other audit-related services.
3. Refers to the aggregate fees billed for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.
4. Refers to fees for consulting and subscriptions to accounting and tax research tools.

Additional information

Additional information, including the directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and options to purchase securities, where applicable, is contained in the 2021 Circular.

Copies of publicly filed documents of the Company, including those incorporated herein by reference, can be found on SEDAR at www.sedar.com and also on EDGAR at www.sec.gov. Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2020.

EXHIBIT "A"

AUDIT & RISK COMMITTEE MANDATE

Purpose

The Audit & Risk Committee (the "**Committee**") is appointed by and shall assist the Board of Directors (the "**Board**") of Colliers International Group Inc. (the "**Company**") in fulfilling its oversight responsibilities in the following principal areas: (i) accounting policies and practices, (ii) the financial reporting process, (iii) financial statements provided by the Company to the public, (iv) risk identification, management and processes, including systems of internal accounting and financial controls, internal systems reviews and remediation and information technology and cyber-security risks and controls, (v) reviewing the Company's insurance policies and consideration of the extent of any uninsured exposure and the adequacy of coverage, (vi) appointing, overseeing and evaluating the work and independence of the external auditors and overseeing and evaluating the work of the Company's internal audit personnel, (vii) compliance with applicable legal and regulatory requirements (including the *Sarbanes-Oxley Act of 2002*), (viii) review of contractual arrangements involving related parties, conflicts of interest or material risks (other than employment related contracts), and (ix) overseeing and evaluating compliance with the Company's Code of Ethics and Conduct, Financial Management Code of Ethics and Conduct, Ethics Hotline Policy and other Company policies involving ethics and/or conflicts of interest. In addition to the responsibilities specifically enumerated in this Mandate, the Board may refer to the Committee such matters and questions relating to the financial position and operations of the Company and its subsidiaries as the Board may from time to time see fit.

Membership

The Committee shall consist of at least three directors appointed annually by the Board and shall be selected based upon the following, in accordance with applicable laws, rules and regulations:

Independence. Each member shall be independent in accordance with applicable legal and regulatory requirements, including, without limitation, the independence requirements set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the "**Act**") (subject to the exemptions provided in Rule 10A-3(c) under the Act) and National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, and shall have no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

Financially Literate. Each member shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee. For these purposes, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Commitment. In addition to being a member of the Committee, if a member is also on the audit committee or board of directors of other public companies or organizations, the Board shall determine that such simultaneous service does not impair the ability of such member to serve effectively on the Committee.

Chair and Secretary

The Chair of the Committee shall be selected by the Board. If the Chair is not present, the members of the Committee may designate a Chair for the meeting by majority vote of the members present. The Secretary of the Company shall be the Secretary of the Committee, provided that if the

Secretary is not present, the Chair of the meeting may appoint a secretary for the meeting with the consent of the other Committee members who are present.

Meetings

The times and locations of meetings of the Committee and the calling of and procedures at such meetings, shall be determined from time to time by the Chair of the Committee, in consultation with management when necessary, provided that there shall be a minimum of four meetings per year. The Committee shall have sufficient notice in order to prepare for each meeting. Notice of each meeting shall also be given to the external auditors of the Company, and meetings shall be convened whenever requested by the external auditors or any member of the Committee in accordance with applicable law.

Meeting Agendas

Agendas for meetings of the Committee shall be developed by the Chair of the Committee in consultation with management and the corporate secretary, and shall be circulated to the Committee members prior to any meetings.

Resources and Authority

The Committee shall have the resources and the authority to discharge its responsibilities, including the authority to engage, at the expense of the Company, outside consultants, independent legal counsel and other advisors as it determines necessary to carry out its duties, without seeking approval of the Board or management. The Committee shall determine the appropriate funding required to compensate any advisor employed by the Committee and to pay ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall have the authority to conduct any investigation necessary and appropriate to fulfilling its responsibilities, and has direct access and authority to communicate directly with the external auditors, legal counsel and officers and employees of the Company.

The members of the Committee have the right, for the purpose of performing their duties, to inspect the books and records of the Company and to discuss such accounts and records and any matters relating to the financial position, risk management and internal controls of the Company with the officers and external auditors of the Company.

Responsibilities

The Company's management is responsible for preparing the Company's financial statements while the external auditors are responsible for auditing those financial statements. The Committee is responsible for overseeing the conduct of those activities by the Company's management and external auditors, and overseeing the activities of any internal audit initiatives. The Company's external auditors are accountable to the Committee as representatives of the Company's shareholders.

It is recognized that members of the Committee are not full-time employees of the Company and do not represent themselves to be accountants or auditors by profession or experts in the fields of accounting or auditing or the preparation of financial statements. It is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from whom it receives information, and (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary.

The specific responsibilities of the Committee are as follows:

- In consultation with the external auditors and management, review the integrity of the Company's financial reporting process, both internal and external, and any major issues as to the adequacy of the internal controls and any special audit procedures adopted in light of any material control deficiencies;
- Review all material transactions and contracts entered into by the Company with any insider or related party of the Company, other than director, officer or employee compensation which is approved by the Company's Compensation Committee;
- Review with management and the external auditors the Company's annual audited consolidated financial statements and discuss with the external auditors all matters required to be discussed by generally accepted auditing standards (GAAS) in Canada and the United States. This would include reviewing an annual audit & risk committee report prepared by the external auditors describing: (i) all critical accounting policies used by the Company, (ii) any material alternative accounting treatments within generally accepted accounting principles (GAAP) that have been discussed with management of the Company, including the ramifications of the use of such alternative treatments and disclosures, and (iii) any other material written communications between the external auditors and management;

- Following completion of the annual audit, review with management and the external auditors any significant issues, concerns or difficulties encountered and resolve any disagreements between management and the external auditors regarding financial reporting;
- Review and approve the interim quarterly financial statements and press releases, and review and recommend to the Board for approval the annual financial statements and press releases, in each case prior to the release of earnings information, including any non-GAAP measures and earnings guidance;

- Review and be satisfied that adequate procedures are in place for the review of the public disclosure of financial information by the Company extracted or derived from the Company's financial statements, and periodically assess the adequacy of those procedures;
- and Meet separately with management and with the external auditors, including at the time of the annual audit plan review with management and the external auditors.

External Auditors

The Committee shall:

- Require the external auditor to report directly to it and is responsible for the appointment, nomination, compensation, retention, termination and oversight of the work of the external auditors engaged for the purpose of issuing an auditor's report or performing other audit, review or attest services for the Company, and in such regard recommend to the Board the external auditors to be nominated for approval by the shareholders;
- Pre-approve all audit engagements and the provision by the external auditors of all non-audit services, including fees and terms for all audit and non-audit engagements, and in such regard the Committee may establish the types of non-audit services the external auditors shall be prohibited from providing and shall establish the types of audit, audit related and non-audit services for which the Committee will retain the external auditors. The Committee may delegate the responsibility to pre-approve non-audit services to one of its members and any such delegated pre-approvals shall be presented to the Committee at its next scheduled meeting;
- Review and approve the Company's policies for the hiring of partners and employees and former partners and employees of the external auditing firm;
- Consider, assess and report to the Board with regard to the independence and performance of the external auditors;
- Request and review annually a report by the external auditors regarding the auditing firm's internal quality-control procedures, any material issues raised by the most recent internal quality-control review of the auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the past five years;
- and Request and review annually a formal written statement by the external auditor delineating all relationships between the external auditor and the Company, actively engaging in a dialogue with the external auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the full Board take, appropriate action to oversee the independence of the external auditor.

Internal Controls and Risk Management

The Committee shall:

- Oversee management's design, implementation and evaluation of the Company's internal controls over financial reporting, including compliance with the requirements of the *Sarbanes-Oxley Act of 2002*;
- Receive and review reports from management and the external auditors with regard to the reliability and effective operation of the Company's accounting systems and internal controls; Discuss with management the Company's approach to risk assessment and management, controls over fraud and assessment of the need for internal auditing (including assessing and managing the risks related to personal and sensitive data that is collected, transmitted or stored by the Company and the control environment in place to protect the privacy of such data);

- Establish policies and procedures for the confidential, anonymous submission by employees of the Company of any concerns regarding questionable accounting or other acts and for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters;
- Review of the principal risks of the Company's business and operations, and any other circumstances and events that could have a significant impact on the Company's assets and stakeholders;
- Discuss with management potential risks to the Company's business and operations, their likelihood and magnitude and the interrelationships and potential compounding effects of such risks;
- Assess the steps management has taken to minimize such risks in light of the Company's risk tolerance;
- Assess the Company's risk tolerance, the overall process for identifying the Company's principal business and operational risks and the implementation of appropriate measures to manage and disclose such risks;
- Review the controls and security governing the Company's information technology systems, including information technology infrastructure (e.g., disaster recovery) and business controls (e.g., data integrity, authorized access and process compliance);
- Review with senior management annually, the Company's insurance policies and considering the extent of any uninsured exposure and the adequacy of coverage;
- and Review disclosure respecting the oversight of management of the Company's principal business and operational risks.

Legal and Regulatory Requirements

Receive and review timely analysis by management of significant issues relating to public disclosure and reporting, including, prior to finalization, the Management's Discussion & Analysis and Annual Information Form; Prepare the report of the Committee required to be included with the Company's periodic filings; and Assist the Board in the oversight of compliance with legal and regulatory matters.

Additional Responsibilities

Report regularly to the Board, including on matters such as the quality and integrity of the Company's financial statements, compliance with legal and regulatory requirements, the results of any internal audit initiatives, including evaluation of internal controls over financial reporting for purposes of compliance with the *Sarbanes-Oxley Act of 2002*, and the performance and independence of the external auditors; and Review and reassess annually the adequacy of the Committee's Mandate and prepare and review with the Board an annual performance evaluation of the Committee.

EXHIBIT 2

COLLIERS INTERNATIONAL GROUP INC.

CONSOLIDATED FINANCIAL STATEMENTS

Year ended

December 31, 2020

COLLIERS INTERNATIONAL GROUP INC.

MANAGEMENT'S REPORT
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements and management discussion and analysis ("MD&A") of **Colliers International Group Inc.** ("Colliers" or the "Company") and all information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States of America using the best estimates and judgments of management, where appropriate. The most significant of these accounting principles are set out in Note 2 to the consolidated financial statements. Management has prepared the financial information presented elsewhere in this annual report and has ensured that it is consistent with the consolidated financial statements.

The MD&A has been prepared in accordance with National Instrument 51-102 of the Canadian Securities Administrators, taking into consideration other relevant guidance, including Regulation S-K of the US Securities and Exchange Commission.

The Board of Directors of the Company has an Audit & Risk Committee consisting of four independent directors. The Audit & Risk Committee meets regularly to review with management and the independent auditors any significant accounting, internal control, auditing and financial reporting matters.

These consolidated financial statements have been audited by PricewaterhouseCoopers LLP, which have been appointed as the independent registered public accounting firm of the Company by the shareholders. Their report outlines the scope of their examination and opinion on the consolidated financial statements. As auditors, PricewaterhouseCoopers LLP have full and independent access to the Audit & Risk Committee to discuss their findings.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of its effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has excluded four individually insignificant entities acquired by the Company during the last fiscal period from its assessment of internal control over financial reporting as at December 31, 2020. The total assets and total revenues of the four majority-owned entities represent 16.5% and 7.0%, respectively of the related consolidated financial statement amounts as at and for the year ended December 31,

2020. The most significant of these entities, representing 13.5% and 2.8% of consolidated total assets and 3.6% and 3.0% of consolidated total revenues were related to the four subsidiaries of Dougherty Financial Group LLC – Dougherty Mortgage LLC, Dougherty & Company LLC, Dougherty Funding LLC and Dougherty Insurance Agency LLC (renamed "Colliers Mortgage" and "Colliers Securities") and Maser Consulting P.A., respectively.

Management has assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2020, based on the criteria set forth in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that, as at December 31, 2020, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as at December 31, 2020, has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm as stated in their report which appears herein.

/s/ Jay S. Hennick
Chairman and Chief Executive Officer
February 18, 2020

/s/ Christian Mayer
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Colliers International Group Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Colliers International Group Inc. and its subsidiaries (together, the Company) as of December 31, 2020 and 2019, and the related consolidated statements of earnings, comprehensive earnings, shareholders' equity and cash flows for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded four entities from its assessment of internal control over financial reporting as of December 31, 2020 because they were acquired by the Company in purchase business combinations during 2020. We have also excluded these four entities from our audit of internal control over financial reporting. These entities comprised, in the aggregate, total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting of approximately 16.5% and 7.0% of consolidated total assets and consolidated total revenues, respectively, as of and for the year ended December 31, 2020. The most significant of these entities, representing 13.5% and 2.8% of consolidated total assets and 3.6% and 3.0% of consolidated total revenues, were related to the four subsidiaries of Dougherty Financial Group LLC: Dougherty Mortgage LLC, Dougherty & Company LLC, Dougherty Funding LLC and Dougherty Insurance Agency LLC (renamed "Colliers Mortgage" and "Colliers Securities"); and Maser, Consulting P.A., respectively.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue recognition – sales brokerage and leasing revenue

As described in notes 2 and 28 to the consolidated financial statements, the Company recognized leasing revenue of $686.5 million, and revenue from real estate sales brokerage services, which makes up a significant portion of capital markets revenue, of $700.9 million for the year ended December 31, 2020. Revenue is recognized upon the transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services. Management has determined that control of sales brokerage services rendered transfer to a customer when a sale and purchase agreement becomes unconditional and leasing services rendered transfer to a customer when a lease between the landlord and the tenant is executed. At these points in time, the customer has received substantially all of the benefit of the services provided by the Company. Sales brokerage and leasing revenue contracts may include terms that result in variability to the transaction price and ultimate revenues earned beyond the underlying value of the transaction, which may include contingencies. As described by management, sales brokerage and leasing revenue is constrained when it is probable that the Company may not be entitled to the total amount of the revenue under the contract, which is associated with the occurrence or non-occurrence of an event that is outside of the Company's control or where the facts and circumstances of the contract limit the Company's ability to predict whether this event will occur. When sales brokerage and leasing revenue is constrained, revenue is not recognized until the uncertainty has been resolved. Management estimates variable consideration and performs a constraint analysis for these contracts on the basis of historical information to estimate the amount the Company will ultimately be entitled. Management used significant judgment to determine whether sales brokerage and leasing revenue should be constrained and the timing of when such revenue should be recognized.

The principal considerations for our determination that performing procedures relating to sales brokerage and leasing revenue recognition is a critical audit matter are (i) the significant judgment by management in determining whether sales brokerage and leasing revenue should be constrained and the timing of when such revenue should be recognized, which in turn led to (ii) significant auditor judgment, subjectivity and effort in performing procedures and evaluating management's assessment of sales brokerage and leasing revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the sales brokerage and leasing revenue recognition process, including controls over management's review and approval of revenue recognition based upon the supporting evidence available for each sales brokerage and leasing revenue contract. These procedures also included, among others, evaluating the appropriateness of management's assessment of sales brokerage and leasing revenue recognition for a sample of sales brokerage and leasing revenue transactions recognized, including evaluating the contractual terms identified in the underlying brokerage transaction agreements and considering other supporting evidence such as customer or third party correspondence and cash receipts.

Acquisition of Colliers Mortgage – Fair value of intangible assets

As described in notes 2 and 4 to the consolidated financial statements, the Company acquired controlling interests in four subsidiaries of Dougherty Financial Group LLC (renamed "Colliers Mortgage"), which included mortgage servicing rights of $99.9 million and licenses of $29.2 million among the intangible assets recognized as a result of the acquisition. Management records intangible assets at fair value on the date they are acquired using valuation methods. Management applied significant judgment in estimating the fair value of intangible assets acquired, which included the use of assumptions related to revenue growth rates, attrition rates, conditional prepayment rates, interest on escrow deposits and discount rates.

The principal considerations for our determination that performing procedures relating to the fair value of intangible assets recorded in the acquisition of Colliers Mortgage is a critical audit matter are (i) the judgment by management when developing the fair value estimates of intangible assets acquired; (ii) the high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's assumptions related to revenue growth rates, attrition rates, conditional prepayment rates, interest on escrow deposits and discount rates; and (iii) the audit effort that involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the acquisition accounting, including controls over management's valuation of the intangible assets acquired, including controls over the development of the aforementioned assumptions. These procedures also included, among others, reading the purchase agreement, testing management's process for developing the fair value estimates of intangible assets acquired, evaluating the appropriateness of the valuation methods used, testing the completeness and accuracy of underlying data used in the valuation methods, and evaluating the reasonableness of the assumptions used by management. Evaluating the reasonableness of the assumptions used by management related to the revenue growth rates and attrition rates involved considering the past performance of the acquired business and consistency with external industry data. Professionals with specialized skill and knowledge were used to assist in testing management's process, including evaluating the appropriateness of the valuation methods and the reasonableness of the assumptions used by management relating to conditional prepayment rates, interest on escrow deposits and discount rates.

/s/ PricewaterhouseCoopers LLP
Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
February 18, 2021

We have served as the Company's auditor since 1995.

COLLIERS INTERNATIONAL GROUP INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands of US dollars, except per share amounts)

Year ended December 31,		**2020**		2019
Revenues (note 28)	**$**	**2,786,857**	$	3,045,811
Cost of revenues (exclusive of depreciation and amortization shown below)		**1,740,860**		1,959,544
Selling, general and administrative expenses		**709,665**		744,874
Depreciation		**39,349**		33,391
Amortization of intangible assets		**86,557**		61,273
Acquisition-related items (note 6)		**45,848**		28,532
Operating earnings		**164,578**		218,197
Interest expense, net		**30,949**		29,452
Equity earnings from unconsolidated investments		**(2,919)**		(2,065)
Other income, net (note 7)		**13**		212
Earnings before income tax		**136,535**		190,598
Income tax expense (note 22)		**42,046**		53,013
Net earnings		**94,489**		137,585
Non-controlling interest share of earnings		**29,572**		26,829
Non-controlling interest redemption increment (note 18)		**15,843**		7,853
Net earnings attributable to Company	**$**	**49,074**	$	102,903
Net earnings per common share (note 20)				
Basic	**$**	**1.23**	$	2.60
Diluted	**$**	**1.22**	$	2.57

The accompanying notes are an integral part of these consolidated financial statements.

COLLIERS INTERNATIONAL GROUP INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(in thousands of US dollars)

Year ended December 31,		**2020**		2019
Net earnings	**$**	**94,489**	$	137,585
Foreign currency translation gain (loss)		**2,591**		(185)
Unrealized loss on interest rate swaps, net of tax		**(2,448)**		(4,073)
Pension liability adjustments, net of tax		**(753)**		(811)
Comprehensive earnings		**93,879**		132,516
Less: Comprehensive earnings attributable to non-controlling interests		**39,620**		35,559
Comprehensive earnings attributable to Company	**$**	**54,259**	$	96,957

The accompanying notes are an integral part of these consolidated financial statements.

COLLIERS INTERNATIONAL GROUP INC.
CONSOLIDATED BALANCE SHEETS
(in thousands of US dollars)

As at December 31,		**2020**		2019
Assets				
Current assets				
Cash and cash equivalents	**$**	**156,614**	$	114,993
Restricted cash		**20,919**		-
Accounts receivable, net of allowance of $25,632 (December 31, 2019 - $9,131) (note 16)		**372,149**		393,945
Contract assets (note 28)		**61,101**		42,772
Warehouse receivables (note 25)		**232,207**		-
Income tax recoverable		**15,041**		10,435
Prepaid expenses and other current assets (note 8)		**177,780**		145,171
Real estate assets held for sale (note 5)		**-**		10,741
		1,035,811		718,057
Other receivables		**14,989**		16,678
Contract assets (note 28)		**5,335**		6,162
Other assets (note 8)		**74,355**		69,510
Fixed assets (note 10)		**129,221**		107,197
Operating lease right-of-use assets (note 9)		**288,134**		263,639
Deferred tax assets, net (note 22)		**45,008**		37,420
Intangible assets (note 11)		**610,330**		477,454
Goodwill (note 12)		**1,088,984**		949,221
Real estate assets held for sale (note 5)		**-**		247,376
	$	**2,256,356**		2,174,657
	$	**3,292,167**	$	2,892,714
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued expenses	**$**	**297,766**	$	261,910
Accrued compensation		**450,894**		495,374
Income tax payable		**26,783**		15,756
Contract liabilities (note 28)		**21,076**		24,133
Long-term debt - current (note 13)		**9,024**		4,223
Contingent acquisition consideration - current (note 25)		**5,802**		16,813

Warehouse credit facilities (note 15)	**218,018**	-
Operating lease liabilities (note 9)	**78,923**	69,866
Liabilities related to real estate assets held for sale (note 5)	**-**	36,191
	1,108,286	924,266
Long-term debt - non-current (note 13)	**470,871**	607,181
Contingent acquisition consideration (note 25)	**109,841**	68,180
Operating lease liabilities (note 9)	**251,680**	229,224
Other liabilities	**48,525**	31,693
Deferred tax liabilities, net (note 22)	**50,523**	28,018
Convertible notes (note 14)	**223,957**	-
Liabilities related to real estate assets held for sale (note 5)	**-**	127,703
	1,155,397	1,091,999
Redeemable non-controlling interests (note 18)	**442,375**	359,150
Shareholders' equity		
Common shares (note 19)	**457,993**	442,153
Contributed surplus	**66,971**	60,706
Retained earnings	**119,421**	77,181
Accumulated other comprehensive loss	**(61,979)**	(67,164)
Total Company shareholders' equity	**582,406**	512,876
Non-controlling interests	**3,703**	4,423
Total shareholders' equity	**586,109**	517,299
	$ 3,292,167	$ 2,892,714

Commitments and contingencies (notes 19 and 26)

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board of Directors,

/s/Frederick Sutherland — Director

/s/Jay S. Hennick — Director

COLLIERS INTERNATIONAL GROUP INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands of US dollars, except share information)

	Common shares				Accumulated other		
	Issued and outstanding shares	Amount	Contributed surplus	Retained Earnings (Deficit)	comprehensive earnings (loss)	Non-controlling interests	Total shareholders' equity
Balance, December 31, 2018	39,213,136	$ 415,805	$ 54,717	$ (21,751)	$ (61,218)	$ 4,420	$ 391,973
Net earnings	-	-	-	137,585	-	-	137,585
Pension liability adjustment, net of tax -	-	-	-	-	(811)	-	(811)
Foreign currency translation loss	-	-	-	-	(185)	-	(185)
Unrealized loss on interest rate swaps, net of tax	-	-	-	-	(4,073)	-	(4,073)
Other comprehensive loss attributable to NCI	-	-	-	-	(877)	233	(644)
NCI share of earnings	-	-	-	(26,829)	-	2,270	(24,559)
NCI redemption increment	-	-	-	(7,853)	-	-	(7,853)
Distributions to NCI	-	-	-	-	-	(2,305)	(2,305)
Acquisitions of businesses, net	-	-	-	-	-	(195)	(195)
Subsidiaries' equity transactions	-	-	2,567	-	-	-	2,567
Subordinate Voting Shares:							
Stock option expense	-	-	7,831	-	-	-	7,831
Stock options exercised	632,075	26,348	(4,409)	-	-	-	21,939
Dividends	-	-	-	(3,971)	-	-	(3,971)
Balance, December 31, 2019	39,845,211	$ 442,153	$ 60,706	$ 77,181	$ (67,164)	$ 4,423	$ 517,299

Cumulative effect adjustment:							
Current expected credit losses, net of tax (note 3)	-	-	-	(2,824)	-	-	(2,824)
Net earnings	-	-	-	94,489	-	-	94,489
Pension liability adjustment, net of tax	-	-	-	-	(753)	-	(753)
Foreign currency translation gain	-	-	-	-	2,591	-	2,591
Unrealized loss on interest rate swaps, net of tax	-	-	-	-	(2,448)	-	(2,448)
Other comprehensive loss attributable to NCI	-	-	-	-	5,795	(154)	5,641
NCI share of earnings	-	-	-	(29,572)	-	2,023	(27,549)
NCI redemption increment	-	-	-	(15,843)	-	-	(15,843)
Distributions to NCI	-	-	-	-	-	(2,524)	(2,524)
Acquisition of businesses, net	-	-	-	-	-	(65)	(65)
Subsidiaries' equity transactions	-	-	134	-	-	-	134
Subordinate Voting Shares:							
Stock option expense	-	-	9,628	-	-	-	9,628
Stock options exercised	344,225	15,840	(3,497)	-	-	-	12,343
Dividends	-	-	-	(4,010)	-	-	(4,010)
Balance, December 31, 2020	**40,189,436**	**$ 457,993**	**$ 66,971**	**$ 119,421**	**$ (61,979)**	**$ 3,703**	**$ 586,109**

The accompanying notes are an integral part of these consolidated financial statements.

COLLIERS INTERNATIONAL GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands of US dollars)

Year ended December 31,	**2020**	2019
Cash provided by (used in)		
Operating activities		
Net earnings	**$ 94,489**	$ 137,585
Items not affecting cash:		
Depreciation and amortization	**125,906**	94,664
Gains attributable to mortgage servicing rights	**(17,065)**	-
Gains attributable to the fair value of mortgage premiums and origination fees	(38,531)	-
Deferred tax	**(13,184)**	(6,699)
Earnings from equity method investments	**(2,919)**	(2,065)
Stock option expense (note 21)	**9,628**	7,831
Allowance for credit losses	**15,275**	5,414
Amortization of advisor loans	**20,871**	20,424
Contingent consideration (note 6)	**29,679**	22,808
Other	**7,963**	3,108
(Increase) decrease in accounts receivable, prepaid expenses and other assets	49,039	(89,235)
(Decrease) increase in accounts payable, accrued expenses and other liabilities	(13,901)	(15,692)
(Decrease) increase in accrued compensation	**(78,591)**	16,580
Contingent acquisition consideration paid	**(18,224)**	(8,928)
Proceeds from sale of mortgage loans	**1,226,041**	**-**
Origination of mortgage loans	**(1,395,734)**	**-**
Increase in warehouse credit facilities	**193,168**	**-**
Sale proceeds from AR Facility, net of repurchases (note 16)	**(27,431)**	124,963
Net cash provided by operating activities	**166,479**	310,758

Investing activities				
Acquisitions of businesses, net of cash acquired (note 4)		**(205,608)**		(80,576)
Purchases of fixed assets		**(40,353)**		(44,197)
Advisor loans issued		**(14,695)**		(21,457)
Purchase of held for sale real estate assets (note 5)		**(84,382)**		(94,223)
Proceeds from sale of held for sale real estate assets (note 5)		**178,604**		-
Collections of AR facility deferred purchase price (note 16)		**51,994**		28,100
Other investing activities		**982**		(5,915)
Net cash used in investing activities		**(113,458)**		(218,268)
Financing activities				
Increase in long-term debt		**616,121**		585,358
Repayment of long-term debt		**(779,185)**		(644,670)
Issuance of convertible notes (note 14)		**230,000**		-
Purchases of non-controlling interests' subsidiary shares, net		**(19,791)**		(11,480)
Contingent acquisition consideration paid		**(11,181)**		(15,033)
Proceeds received on exercise of stock options		**12,343**		21,939
Dividends paid to common shareholders		**(3,992)**		(3,940)
Distributions paid to non-controlling interests		**(35,698)**		(31,858)
Financing fees paid (note 14)		**(7,568)**		(1,304)
Net cash provided by (used in) financing activities		**1,049**		(100,988)
Effect of exchange rate changes on cash		**8,470**		(3,541)
Net change in cash, cash equivalents and restricted cash		**62,540**		(12,039)
Cash, cash equivalents and restricted cash, beginning of year		**114,993**		127,032
Cash, cash equivalents and restricted cash, end of year	**$**	**177,533**	$	114,993

The accompanying notes are an integral part of these consolidated financial statements.

COLLIERS INTERNATIONAL GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of US dollars, except share and per share amounts)

1. Description of the business

Colliers International Group Inc. (“Colliers” or the “Company”) provides commercial real estate oriented professional services and investment management to corporate and institutional clients in 36 countries around the world (67 countries including affiliates and franchisees). Colliers’ primary services are Outsourcing & Advisory services, Leasing, Capital Markets and Investment Management. Operationally, Colliers is organized into four distinct segments: Americas; Europe, Middle East and Africa (“EMEA”); Asia and Australasia (“Asia Pacific”) and Investment Management.

2. Summary of presentation

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The most significant estimates are related to the judgments used to determine the timing and amount of revenue recognition, recoverability of goodwill and intangible assets, determination of fair values of assets acquired and liabilities assumed in business combinations, estimated fair value of contingent consideration related to acquisitions, quantification of uncertain tax positions, recoverability of deferred tax assets, warehouse receivables, capitalized mortgage servicing rights, derivative financial instruments and current expected credit losses on financial assets including collectability of accounts receivable and allowance for loss sharing obligations. Actual results could be materially different from these estimates.

The Company revised the name of its Sales Brokerage revenue line to Capital Markets. The Company has also combined project management, property management and engineering & design into a Property Services revenue line. Loan servicing revenues are included in Other revenue.

Significant accounting policies are summarized as follows:

Principles of consolidation
The accompanying consolidated financial statements include the accounts of the Company, its majority-owned subsidiaries and those variable interest entities where the Company is the primary beneficiary. Where the Company does not have a controlling interest but has the ability to exert significant influence, the equity method is used. Inter-company transactions and accounts are eliminated on consolidation.

When applying the principles of consolidation, the Company begins by determining whether an investee is a variable interest entity (“VIE”) or a voting interest entity (“VOE”). Assessing whether an entity is a VIE or a VOE involves judgment and analysis. Factors considered in this assessment include the entity’s legal organization, the entity’s capital structure and equity ownership, and any related

party or de facto agent implications of the Company's involvement with the entity.

VOEs are embodied by common and traditional corporate and certain partnership structures. For VOEs, the interest holder with control through majority ownership and majority voting rights consolidates the entity.

For VIEs, identification of the primary beneficiary determines the accounting treatment. In evaluating whether the Company is the primary beneficiary, it evaluates its direct and indirect economic interests in the entity. A reporting entity is determined to be the primary beneficiary if it holds a controlling financial interest in the VIE. Determining which reporting entity, if any, has a controlling financial interest in a VIE is primarily a qualitative approach focused on identifying which reporting entity has both (1) the power to direct the activities of a VIE that most significantly impact such entity's economic performance and (2) the obligation to absorb losses or the right to receive benefits from such entity that could potentially be significant to such entity.

The primary beneficiary analysis is performed at the inception of the Company's investment and upon the occurrence of a reconsideration event. When the Company determines it is the primary beneficiary of a VIE, it consolidates the VIE; when it is determined that the Company is not the primary beneficiary of the VIE, the investment in the VIE is accounted for at fair value or under the equity method, based upon an election made at the time of investment.

Cash and cash equivalents
Cash equivalents consist of short-term interest-bearing securities and money market mutual funds. These cash equivalents are readily convertible into cash and the interest-bearing securities have original maturities at the date of purchase of three months or less. The Company also maintains custodial escrow accounts, agency and fiduciary funds relating to its debt finance operations and as an agent for its property management operations. These amounts are not included in the accompanying consolidated balance sheets as they are not assets of the Company.

Restricted cash
Restricted cash consists primarily of cash amounts set aside to satisfy legal or contractual requirements arising in the normal course of business, primarily at Colliers Mortgage.

Receivables and allowance for credit losses
Accounts receivable are recorded when the Company has a right to payment within customary payment terms or it recognizes a contract asset if revenue is recognized prior to when payment is due. From the point of initial recognition, the carrying value of such receivables and contract assets, net of allowance for doubtful accounts, represents their estimated net realizable value after deducting for potential credit losses. The Company's expected loss allowance methodology uses historical collection experience, the current status of customers' accounts receivable and considers both current and expected future economic and market conditions. Due to the short-term nature of such receivables, the estimate of accounts receivable that may be collected is based on the aging of the receivable balances and the financial condition of customers. Additionally, specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. The allowances are then reviewed on a quarterly basis to ensure that they are appropriate. After all collection efforts have been exhausted by management, the outstanding balance considered not collectible is written off against the allowance. In providing for credit losses as at December 31, 2020, the Company considered the current and expected future economic and market conditions surrounding the novel coronavirus ("COVID-19") pandemic and determined to adjust its historical loss rates for the increased credit risk with an associated credit loss expense included in Selling, general and administrative expenses.

In some cases, the Company may record a receivable or a contract asset which corresponds with payables which the Company is only obligated to pay upon collection of the receivable ("Reimbursable receivables"). These receivables correspond with commissions payable, payables to facilitate collection from the customer and make payments to subcontractors or relate to collection from tenants for payment to the landlord. These corresponding payables are typically satisfied on a pay-when-paid basis. In relation to Reimbursable receivables, an allowance is only recorded to the extent that the Company will incur credit losses.

Fixed assets
Fixed assets are carried at cost less accumulated depreciation. The costs of additions and improvements are capitalized, while maintenance and repairs are expensed as incurred. Fixed assets are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset group may not be recoverable. An impairment loss is recorded to the extent the carrying amount exceeds the estimated fair value of an asset group. Fixed assets are depreciated over their estimated useful lives as follows:

Buildings	20 to 40 years straight-line
Vehicles	3 to 5 years straight-line
Furniture and equipment	3 to 10 years straight-line
Computer equipment and software	3 to 5 years straight-line
Leasehold improvements	term of the lease to a maximum of 10 years

Investments
Equity method investments
For equity investments where it does not control the investee, and where it is not the primary beneficiary of a VIE, but can exert significant influence over the financial and operating policies of the investee the Company utilizes the equity method of accounting. The evaluation of whether the Company exerts control or significant influence over the financial and operation policies of the investees requires significant judgement based on the facts and circumstances surrounding each individual investment. Factors considered in these evaluations may include the type of investment, the legal structure of the investee, any influence the Company may have on the governing board of the investee.

The Company's equity method investees that are investment companies record their underlying investments at fair value. Therefore, under the equity method of accounting, the Company's share of the investee's underlying net income predominantly represents fair value adjustments in the investments held by the equity method investees.

The Company's share of the investee's underlying net income or loss is based upon the most currently available information, which may precede the date of the consolidated statement of financial condition and is realized in other (income) expense. Distributions received reduce the Company's carrying value of the investee.

Investments in debt and equity securities
The Company invests in debt and equity securities primarily in relation to its wholly owned captive insurance company and Colliers Securities, a broker-dealer licensed under the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority ("FINRA"). These investments are accounted for at fair value with changes recorded in net earnings (loss).

Financial instruments and derivatives
Certain loan commitments and forward sales commitments related to the Company's warehouse receivables meet the definition of a derivative asset and are recorded at fair value in the consolidated balance sheets upon the execution of the commitment to originate a loan with a borrower and to sell the loan to an investor, with a corresponding amount recognized as revenue in the consolidated statements of earnings. The estimated fair value of loan commitments includes the value of loan origination fees and premiums on anticipated sale of the loan, net of related costs and broker fees, a loss sharing reserve, the fair value of the expected net cash flows associated with servicing of the loan, and the effects of interest rate movements. The estimated fair value of the forward sales commitments includes the effects of interest rate movements. Adjustments to the fair value related to loan commitments and forward sale commitments are included within Capital Markets revenue on the consolidated statements of earnings.

From time to time, the Company may use interest rate swaps to hedge a portion of its interest rate exposure on long-term debt. Hedge accounting is applied and swaps are carried at fair value on the consolidated balance sheets, with gains or losses recognized in interest expense. The carrying value of the hedged item is adjusted for changes in fair value attributable to the hedged interest rate risk; the associated gain or loss is recognized currently in earnings and the unrealized gain or loss is recognized in other comprehensive income. If swaps are terminated and the underlying item is not, the resulting gain or loss is deferred and recognized over the remaining life of the underlying item using the effective interest method. In addition, the Company may enter into short-term foreign exchange contracts to lower its cost of borrowing, to which hedge accounting is not applied.

Derivative financial instruments are recorded on the consolidated balance sheets as other assets or other liabilities and carried at fair value. See note 25 for additional information on derivative financial instruments.

Fair value
The Company uses the fair value measurement framework for financial assets and liabilities and for non-financial assets and liabilities that are recognized or disclosed at fair value on a non-recurring basis. The framework defines fair value, gives guidance for measurement and disclosure, and establishes a three-level hierarchy for observable and unobservable inputs used to measure fair value. An asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Observable market-based inputs other than quoted prices in active markets for identical assets or liabilities
- Level 3 – Unobservable inputs for which there is little or no market data, which requires the Company to develop its own assumptions

Convertible notes
The Company issued Convertible Notes in May 2020 (see note 14). The Convertible Notes are accounted for entirely as debt as no portion of the proceeds is required to be accounted for as attributable to the conversion feature. Interest on the Convertible Notes is recorded as interest expense. Financing fees are amortized over the life of the Convertible Notes as additional non-cash interest expense utilizing the effective interest method.

The earnings per share impact of the Convertible Notes is calculated using the "if-converted" method, if dilutive, where coupon interest expense, net of tax, is added to the numerator and the number of potentially issuable subordinate voting shares is added to the denominator.

Financing fees
Financing fees related to the Revolving Credit Facility are recorded as an asset and amortized to interest expense using the effective interest method. Financing fees related to the Senior Notes and Convertible Notes are recorded as a reduction of the debt amount and are amortized to interest expense using the effective interest method.

Financial guarantees and allowance for loss sharing obligations

For certain loans originated and sold under the Fannie Mae Delegated Underwriting and Servicing ("DUS") Program the Company undertakes an obligation to partially guarantee performance of the loan typically up to one-third of any losses on loans originated.

When the Company commits to making a loan to a borrower, it recognizes a liability equal to the estimated fair value of this loss sharing obligation (the "Loss Reserve"), which reduces the gain on sale of the loan reported in Capital Markets revenue.

In accordance with ASC 326, the Company estimates the credit losses expected over the life of the credit exposure related to this loss sharing obligation and performs a quarterly analysis of the Loss Reserve. The Company evaluates the Loss Reserve on an individual loan basis and the evaluation models consider the specific details of the underlying property used as collateral, such as occupancy and financial performance. The models also analyze historical losses, current and expected economic conditions, and reasonable and supportable forecasts. Changes to the Loss Reserve are recognized as an expense. For the period ended December 31, 2020, the analysis incorporated specific economic conditions related to the COVID-19 pandemic. See note 26 for further information on the DUS Program and the loss-sharing obligation.

Warehouse receivables
The Company originates held for sale mortgage loans with commitments to sell to third party investors. These loans are referred to as warehouse receivables and are funded directly to borrowers by the warehouse credit facilities. The facilities are generally repaid within 45 days when the loans are transferred while the Company retains the servicing rights. The Company elects the fair value option for warehouse receivables.

Mortgage servicing rights ("MSRs")
MSRs, or the rights to service mortgage loans for others, result from the sale or securitization of loans originated by the Company and are recognized as intangible assets on the Consolidated Balance Sheets. The Company initially recognizes MSRs based on the fair value of these rights on the date the loans are sold. Subsequent to initial recognition, MSRs are amortized and carried at the lower of amortized cost or fair value. They are amortized in proportion to and over the estimated period that net servicing income is expected to be received based on projections and timing of estimated future net cash flows.

In connection with the origination and sale of mortgage loans for which the Company retains servicing rights, an asset or liability is recognized based upon the fair value of the MSR on the date that the loans are sold. Upon origination of a mortgage loan held for sale, the fair value of the retained MSR is included in the forecasted proceeds from the anticipated loan sale and results in a net gain (which is reflected in Capital Markets revenue).

MSRs do not actively trade in an open market with readily observable prices; therefore, fair value is determined based on certain assumptions and judgments. The valuation model incorporates assumptions including contractual servicing fee income, interest on escrow deposits, discount rates, the cost of servicing, prepayment rates, delinquencies, the estimated life of servicing cash flows and ancillary income and late fees. The assumptions used are subject to change based upon changes to estimates of future cash flows and interest rates, among other things. The key assumptions used during the years ended December 31, 2020 in measuring fair value were as follows:

	As at December 31, 2020
Discount rate	**11.5%**
Conditional prepayment rate	**6.0%**

As at December 31, 2020, the estimated fair value of MSRs was $108,315. See notes 4 and 11 for the acquisition date fair value and current carrying value of the MSR assets. The estimated fair value of Impairment is evaluated quarterly through a comparison of the carrying amount and fair value of the MSRs, and recognized with the establishment of a valuation allowance. Other than write-offs due to prepayments of sold Warehouse receivables where servicing rights have been retained, there have been no instances of impairment since acquiring Colliers Mortgage.

Goodwill and intangible assets
Goodwill represents the excess of purchase price over the fair value of assets acquired and liabilities assumed in a business combination and is not subject to amortization.

Intangible assets are recorded at fair value on the date they are acquired. Indefinite life intangible assets are not subject to amortization. Where lives are finite, they are amortized over their estimated useful lives as follows:

Customer lists and relationships	straight-line over 4 to 20 years
Investment management contracts	straight-line over 5 to 15 years
Trademarks and trade names	straight-line over 2 to 10 years
Franchise rights	straight-line over 2 to 15 years
Management contracts and other	straight-line over life of contract ranging from 2 to 10 years
Backlog	as underlying backlog transactions are completed

The Company reviews the carrying value of finite life intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable from the estimated future cash flows expected to result from their use and eventual disposition. If the sum of the undiscounted expected future cash flows is less than the carrying amount of the asset group, an impairment loss is recognized. Measurement of the impairment loss is based on the excess of the carrying amount of

the asset group over the fair value calculated using discounted expected future cash flows.

Goodwill and indefinite life intangible assets are tested for impairment annually, on August 1, or more frequently if events or changes in circumstances indicate the asset might be impaired, in which case the carrying amount of the asset is written down to fair value.

Impairment of goodwill is tested at the reporting unit level. The Company has four distinct reporting units. Impairment is tested by first assessing qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Where it is determined to be more likely than not that its fair value is greater than its carrying amount, then no further testing is required. Where the qualitative analysis is not sufficient to support that the fair value exceeds the carrying amount then a quantitative goodwill impairment test is performed. The quantitative test compares the reporting unit's carrying amount, including goodwill with the estimated fair value of the reporting unit. The fair values of the reporting units are estimated using a discounted cash flow approach. The fair value measurement is classified within Level 3 of the fair value hierarchy. If the carrying amount of the reporting unit exceeds its fair value, the difference is reported as an impairment loss. Certain assumptions are used to determine the fair value of the reporting units, the most sensitive of which are estimated future cash flows and the discount rate applied to future cash flows. Changes in these assumptions could result in a materially different fair value.

Impairment of indefinite life intangible assets is tested by comparing the carrying amount to the estimated fair value on an individual intangible asset basis.

Redeemable non-controlling interests
Redeemable non-controlling interests ("RNCI") are recorded at the greater of (i) the redemption amount or (ii) the amount initially recorded as RNCI at the date of inception of the minority equity position. This amount is recorded in the "mezzanine" section of the balance sheet, outside of shareholders' equity. Changes in the RNCI amount are recognized immediately as they occur.

Revenue
The Company generates revenue from contracts with customers through its provision of commercial real estate services. These services consist of Leasing, Capital Markets, Outsourcing & Advisory and Investment Management services.

(a) Leasing
Leasing includes landlord and tenant representation services. Landlord representation provides real estate owners with services to strategically position properties and to secure appropriate tenants. Tenant representation focuses on assisting businesses to assess their occupancy requirements and evaluating and negotiating leases and lease renewals.

(b) Capital Markets
Capital Markets revenue is generated through sales brokerage and other capital markets transactions. These services include real estate sales, debt origination and placement, equity capital raising, market value opinions, acquisition advisory and transaction management. The Company's debt finance operations relate to the origination and sale of multifamily and commercial mortgage loans

(c) Outsourcing & Advisory
Outsourcing & Advisory services consist of project management, engineering and design, valuation services, property management as well as loan servicing. Project management services include design and construction management, move management and workplace solutions consulting. Engineering & design services consist of multidisciplinary planning, consulting and design engineering services to multiple end-markets. Project management and engineering & design engagements range from single project contracts with a duration of less than one year to multi-year contracts with multiple discrete projects. Property management provides real estate service solutions to real estate owners. In addition to providing on-site management and staffing, the Company provides support through centralized resources such as technical and environmental services, accounting, marketing and human resources. Consistent with industry standards, management contract terms typically range from one to three years, although most contracts are terminable at any time following a notice period, usually 30 to 120 days. Property management, project management and engineering & design are included in the Property Services revenue line.

Valuation services consist of helping customers determine market values for various types of real estate properties. Such services may involve appraisals of single properties or portfolios of properties. These appraisals may be utilized for a variety of customer needs including acquisitions, dispositions, financing or for tax purposes.

Loan servicing fees consist of revenues earned in accordance with the contractual arrangements associated with the Company's debt finance operations and represent fees earned for servicing loans originated by the Company. Loan servicing revenues are included in the Other revenue line.

(d) Investment Management
Investment Management revenues include consideration for services in the form of asset management advisory and administration fees, transaction fees and incentive fees (carried interest). The performance obligation is to manage client's invested capital for a specified period of time and is delivered over time.

Revenue recognition and unearned revenues
Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company enters into contracts that can include various combinations of services, which are capable of being distinct and accounted for as separate performance obligations. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

(a) Nature of services

The Company has determined that control of real estate sales brokerage services rendered transfer to a customer when a sale and purchase agreement becomes unconditional. Leasing services rendered transfer to a customer when a lease between the landlord and the tenant is executed. At these points in time the customer has received substantially all of the benefit of the services provided by the Company. The transaction price is typically associated with the underlying asset involved in the transaction, most commonly a percentage of the sales price or the aggregate rental payments over the term of the lease which are generally known when revenue is recognized.

Other Capital Market revenues are recorded when the Company's performance obligation is satisfied. Although the performance obligation varies based upon the contractual terms of the transaction or service, the performance obligation is generally recognized at the point in time when a defined outcome is satisfied, including completion of financing or closing of a transaction. At this time, the Company has transferred control of the promised service and the customer obtains control.

Revenues from the Company's debt finance operations, included in Capital Markets revenue, are excluded from the scope of ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). Revenue is recognized and a derivative asset is recorded upon the commitment to originate a loan with a borrower and corresponding sale to an investor. The derivative asset is recognized at fair value, which reflects the fair value of the contractual loan origination, related fees and sale premium, the estimated fair value of the expected net cash flows associated with the servicing of the loan and the estimated fair value of guarantee obligations to be retained. Debt finance revenue also includes changes to the fair value of loan commitments, forward sale commitments and loans held for sale that occur during their respective holding periods. Upon sale of the loans, no gains or losses are recognized as such loans are recorded at fair value during the holding periods. MSRs and guarantee obligations are recognized as assets and liabilities, respectively, upon the sale of the loans.

Outsourcing & Advisory services including those provided in relation to property management, project management and engineering & design transfer to the customer over time as the services are performed and revenue from providing these services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based upon the actual labor hours spent relative to the total expected labor hours or the project costs incurred relative to the total project costs. For some projects certain obligations that are representative of the work completed may be used as an alternative to recognize revenue. The use of labor hours or overall project costs is dependent upon the input that best represents the progress of the work completed in relation to the specific contract. For cost-reimbursable and hourly-fee contracts, revenue is recognized in the amount to which the Company has a right to invoice.

For other advisory services, including valuation and appraisal review, the customer is unable to benefit from the services until the work is substantially complete, revenue is recognized upon delivery of materials to the customer because this faithfully represents when the service has been rendered. For most fixed fee consulting assignments, revenue is recognized based upon the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Loan servicing revenues are recognized over the contractual service period. Loan servicing fees related to retained MSRs are governed by ASC 820 and ASC 860 and excluded from the scope of ASC 606. Loan servicing fees earned from servicing contracts which the Company does not hold mortgage servicing rights are in scope of ASC 606.

Investment Management advisory fees are recognized as the services are performed over time and are primarily based on agreed-upon percentages of assets under management or committed capital. Revenue recognition for transactional performance obligations are recognized at a point in time when the performance obligation has been met. The Company receives investment management advisory incentive fees (carried interest) from certain investment funds. These incentive fees are dependent upon exceeding specified performance thresholds on a relative or absolute basis, depending on the product. Incentive fees are recognized when it is determined that significant reversal is considered no longer probable (such as upon the sale of a fund's investment or when the amount of assets under management becomes known as of the end of the specified measurement period). Pursuant to the terms of the Harrison Street Real Estate Capital, LLC ("Harrison Street") acquisition, incentive fees related to assets that were invested prior to the acquisition date by its former owners are allocated to certain employees and former owners; as such the full amount of these incentive fees is passed through as compensation expense and recognized as cost of revenues in the consolidated statement of earnings.

(b) Significant judgments

The Company's contracts with customers may include promises to transfer multiple products and services. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. Where a contract contains multiple performance obligations, judgment is used to assess whether they are distinct and accounted for separately or not distinct and are accounted for and recognized together.

Brokerage commission arrangement may include terms that result in variability to the transaction price and ultimate revenues earned beyond the underlying value of the transaction, these may include rebates and/or contingencies. The Company estimates variable consideration and performs a constraint analysis for these contracts on the basis of historical information to estimate the amount the Company will ultimately be entitled to. Generally, revenue is constrained when it is probable that the Company may not be entitled to the total amount of the revenue as associated with the occurrence or non-occurrence of an event that is outside of the Company's control or

where the facts and circumstances of the arrangement limit the Company's ability to predict whether this event will occur. When revenue is constrained, this revenue is not recognized until the uncertainty has been resolved.

Outsourcing & Advisory arrangements may include incentives tied to achieving certain performance targets. The Company estimates variable consideration or performs a constraint analysis for these contracts on the basis of circumstances specific to the project and historical information in order to estimate the amount the Company will ultimately be entitled to. Estimates of revenue, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In providing project management, engineering and design or property management services, the Company may engage subcontractors to provide on-site staffing or to provide specialized technical services, materials and/or installation services. These arrangements are assessed and require judgment to determine whether the Company is a principal or an agent of the customer. When the Company acts as a principal, because it is primarily responsible for the delivery of the completed project and controls the services provided by the subcontractors, these amounts are accounted for as revenue on a gross basis. However, when the Company acts as an agent, because it does not control the services prior to delivery to the customer, these costs are accounted for on a net basis.

In some cases, the Company may facilitate collection from the customer and payments to subcontractors or may facilitate collection from tenants for payment to the landlord. In these instances, balances are recorded as accounts receivable and accounts payable until settled.

Investment Management fee arrangements are unique to each contract and evaluated on an individual basis to determine the timing of revenue recognition and significant judgment is involved in making such determination. At each reporting period, the Company considers various factors in estimating revenue to be recognized. Incentive fees have a broad range of possible amounts and the determination of these amounts is based upon the market value for managed assets which is highly susceptible to factors outside of the Company's influence. As a result, incentive fee revenue is generally constrained until significant reversal is considered no longer probable.

Certain constrained Capital Markets and Leasing fees, Outsourcing & Advisory fees and Investment Management fees may arise from services that began in a prior reporting period. Consequently, a portion of the fees the Company recognizes in the current period may be partially related to the services performed in prior periods. In particular, substantially all investment management incentive fees recognized in the period were previously constrained.

Contract balances
Timing of revenue recognition may differ from the timing of invoicing to customers. The Company invoices the customer and records a receivable when it has a right to payment within customary payment terms or it recognizes a contract asset if revenue is recognized prior to when payment is due. Contract liabilities consist of payments received in advance of recognizing revenue. These liabilities consist primarily of payments received for outsourcing and advisory engagements where a component of the revenue may be paid by the customer prior to the benefits of the services transferring to the customer. As a practical expedient, the Company does not adjust the promised amount of consideration for the effect of a significant financing component when it is expected, at contract inception, that the period between transfer of the service and when the customer pays for that service will be one year or less. The Company does not typically include extended payment terms in its contracts with customers.

The Company generally does not incur upfront costs to obtain or fulfill contracts that are capitalizable to contract assets and if capitalizable they would be amortized to expense within one year or less of incurring the expense; consequently, the Company applies the practical expedient to recognize these incremental costs as an expense when incurred. Any costs to obtain or fulfill contracts that exceed one year are capitalized to contract assets and amortized over the term of the contract on a method consistent with the transfer of services to the customer and the contract's revenue recognition.

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 to 90 days. With the exceptions of sales brokerage and lease brokerage, the Company does not expect to have any contracts where the period between the transfer of services to the customer and the payment by the customer exceeds one year. With regard to sales brokerage and lease brokerage, arrangements may exist where the service is transferred but payment is not received for a period greater than one year. However, arrangements of this nature do not contain a significant financing component because the amount and timing varies on the basis of the occurrence or non-occurrence of an event that is outside the control of the Company or the customer. As a consequence, the Company does not adjust the transaction prices for the time value of money.

Contract liabilities represent advance payments associated with the Company's performance obligations that have not yet been satisfied. The majority of the balances are expected to be recognized to revenue or disbursed on behalf of the client within a year.

Remaining performance obligations
Remaining performance obligations represent the aggregate transaction prices for contracts where the Company's performance obligations have not yet been satisfied. The Company applies the practical expedient related to remaining performance obligations that are part of a contract that has an original expected duration of one year or less and the practical expedient related to variable consideration from remaining performance obligations.

Stock-based compensation
For equity classified awards, compensation cost is measured at the grant date based on the estimated fair value of the award adjusted for expected forfeitures. The related stock option compensation expense is allocated using the graded attribution method.

Long-term incentive plans

Under these plans, certain subsidiary employees are compensated if the earnings before interest, income tax and amortization of the subsidiary increases. Awards under these plans generally have a term of up to ten years, a vesting period of five to ten years and are settled in cash at the end of the term. If an award is subject to a vesting condition, then the graded attribution method is applied to the fair value or intrinsic value of the award. The related compensation expense is recorded in selling, general and administrative expenses and the liability is recorded in accrued compensation.

Foreign currency translation and transactions
Assets, liabilities and operations of foreign subsidiaries are recorded based on the functional currency of each entity. For certain foreign operations, the functional currency is the local currency, in which case the assets, liabilities and operations are translated at current exchange rates from the local currency to the reporting currency, the US dollar. The resulting unrealized gains or losses are reported as a component of accumulated other comprehensive earnings. Realized and unrealized foreign currency gains or losses related to any foreign dollar denominated monetary assets and liabilities are included in net earnings.

Income tax
Income tax has been provided using the asset and liability method whereby deferred tax assets and liabilities are recognized for the expected future income tax consequences of events that have been recognized in the consolidated financial statements or income tax returns. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to reverse, be recovered or settled. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in earnings in the period in which the change occurs. A valuation allowance is recorded unless it is more likely than not that realization of a deferred tax asset will occur based on available evidence.

The Company recognizes uncertainty in tax positions taken or expected to be taken utilizing a two-step approach. The first step is to determine whether it is more likely than not that the tax position will be sustained upon examination by tax authorities on the basis technical merits of the position. The second step is to recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company classifies interest and penalties associated with income tax positions in income tax expense.

Leases
The Company recognizes an operating lease right-of-use (“ROU”) asset and a lease liability on the consolidated balance sheet at the lease commencement date. Operating lease ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term adjusted for lease pre-payments and lease incentives. After the commencement date any modifications to the leasing arrangement are assessed and the ROU asset and lease liability are remeasured to recognize modifications to the lease term or fixed payments. As most of the Company’s leases do not provide an implicit rate, the incremental borrowing rate based on the information available at commencement date is used to determine the present value of lease payments. The Company uses the implicit rate when readily determinable. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Operating leases ROU assets are amortized to selling, general and administrative expenses (“SG&A”) straight-line over the lease term.

Finance leases are included in fixed assets and long-term debt on the consolidated balance sheet. Finance lease assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of lease term.

Variable lease payments and variable payments related to non-lease components are recorded to SG&A as incurred. Variable lease payments include amounts related to changes in payments associated with changes in an index or rate but which are not also associated with a remeasurement of the lease liability.

The Company has operating lease agreements with lease and non-lease components, and the Company has elected to apply the practical expedient to not separate lease and nonlease components and therefore the ROU assets and lease liabilities include payments related to services included in the lease agreement. Additionally, for certain leases the Company has elected to group leases that commence at the same time and where accounting does not materially differ from accounting for the leases individually as a portfolio of leases.

The Company has elected not to recognize ROU assets and lease liabilities for leases that have a term of twelve months or less. Similarly, the Company will be applying the practical expedient to not recognize assets or liabilities related to a business combination when the acquired lease has a remaining term of twelve months or less at the acquisition date. The payments associated with these leases are recorded to SG&A on a straight-line basis over the remaining lease term.

Business combinations
All business combinations are accounted for using the acquisition method of accounting. Transaction costs are expensed as incurred.

The fair value of the contingent consideration is classified as a financial liability and is recorded on the balance sheet at the acquisition date and is re-measured at fair value at the end of each period until the end of the contingency period, with fair value adjustments recognized in earnings. However, if the contingent consideration includes an element of compensation to the vendors (i.e. it is tied to continuing employment or it is not linked to the business valuation), then the portion of contingent consideration related to such element is treated as compensation expense over the expected employment period.

Government assistance related to the COVID-19 pandemic

The Company received $34,767 of wage subsidies from governments in several countries around the world during the year ended December 31, 2020. $24,456 of the wage subsidies were recorded as reduction to cost of revenues and $9,312 were recorded as a reduction to selling, general and administrative expenses in the Consolidated Statements of Earnings.

3. Impact of recently issued accounting standards

Recently adopted accounting guidance

Current Expected Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses*. This ASU creates a new framework to evaluate financial instruments, such as trade receivables, for expected credit losses. This new framework replaces the previous incurred loss approach and is expected to result in more timely recognition of credit losses.

The Company has adopted *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* effective January 1, 2020 using the modified retrospective basis recording a cumulative catch-up adjustment to retained earnings. Following adoption of the standard, the Company's methodology of reserving for Accounts receivable and other receivable-related financial assets, including contract assets has changed. See note 2 for details on the significant accounting policies related to receivables and allowance for doubtful accounts. The adoption of the standard has had the impact of accelerating the recognition of credit losses on certain receivables and the Company recognized a non-cash cumulative catch-up adjustment to retained earnings in the amount of $3,629, net of $805 in taxes, on the opening consolidated balance sheet as of January 1, 2020.

Goodwill impairment testing

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles – Goodwill and Other: Simplifying the Accounting for Goodwill Impairment* to remove Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. Under this guidance, a goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The Company has adopted the standard effective January 1, 2020. Adoption of the ASU simplifies the goodwill impairment testing process for the Company without any direct impact on the financial statements.

Capitalization of implementation costs in relation to hosting arrangements

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40).* This ASU aligns the capitalizing of implementation costs incurred in relation to a hosting arrangement with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. It also requires these capitalized costs to be expensed over the term of the hosting arrangement and to the same line as the hosting arrangement. As this ASU clarifies the previously existing ambiguity related to capitalization, it was determined that the guidance under the ASU is consistent with the Company's existing capitalization process for development costs related to hosting arrangements without any impact on the financial statements.

Recently issued accounting guidance, not yet adopted

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. With LIBOR ceasing at the end of 2021, a significant volume of contracts and other arrangements will be impacted by the transition required to alternative reference rates. This ASU provides optional expedients and exceptions to reduce the costs and complexity of applying existing GAAP to contract modifications and hedge accounting if certain criteria are met. The standard is effective from the beginning of an interim period that includes the March 12, 2020 issuance date of the ASU through December 31, 2022. On March 25, 2020, the Alternative Reference Rates Committee (the "ARRC"), which is a group of private-market participants convened by the Federal Reserve Board and the New York Fed, reiterated the end of 2021 timeline for the phase out of LIBOR amid the uncertainty surrounding the COVID-19 pandemic. The Company is currently assessing the options available under this ASU and their potential impacts on its consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt- Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contract in an Entity's Own Equity.* The ASU simplifies the accounting for convertible instruments and reduces the number of embedded conversion features being separately recognized from the host contract as compared to current GAAP. The ASU also enhances information transparency through targeted improvements to the disclosures for convertible instruments and earnings-per-share guidance. The standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. The standard can be applied using the modified retrospective method of transition or a fully retrospective method of transition. The Company is currently assessing the options available under this ASU and their potential impacts on its consolidated financial statements.

4. Acquisitions

2020 acquisitions:

On May 29, 2020, the Company acquired controlling interests in four subsidiaries of Dougherty Financial Group LLC – Dougherty

Mortgage LLC, Dougherty & Company LLC, Dougherty Funding LLC and Dougherty Insurance Agency LLC. Headquartered in Minneapolis, Dougherty operates across 21 states in the U.S. Dougherty's mortgage banking operations have been renamed as "Colliers Mortgage" while all brokerage, investment banking, capital markets and public finance services were renamed "Colliers Securities" which operates as a broker-dealer and is licensed under the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority.

Colliers Mortgage is licensed as a U.S. Department of Housing and Urban Development ("HUD") title II non-supervised mortgagee, a Government National Mortgage Association ("Ginnie Mae") issuer, and a Federal National Mortgage Association ("Fannie Mae") approved Delegated Underwriting and Servicing Program ("DUS") lender for multifamily affordable and market rate housing and senior housing mortgage loans. Colliers Mortgage is also an approved lender in the United States Department of Agriculture ("USDA") Community Facilities Guaranteed Loan Program. Ginnie Mae and Fannie Mae together are referred to as government sponsored enterprises ("GSEs").

On July 13, 2020, the Company acquired a controlling interest in Maser Consulting P.A. ("Maser"), headquartered in New Jersey. Maser operates in the Americas segment across 13 U.S. states. Maser is a leading multi-disciplinary engineering design and consulting firm in the U.S.

During the year ended December 31, 2020 the Company acquired controlling interests in two Colliers International affiliates operating in the Americas segment (Austin, Texas and Nashville, Tennessee).

The acquisition date fair value of consideration transferred and purchase price allocation was as follows:

	Colliers Mortgage	Maser	Other	Aggregate Acquisitions
Current assets, excluding cash	$ 46,510	$ 57,533	$ 2,800	$ 106,843
Warehouse receivables	31,282	-	-	31,282
Non-current assets	9,021	37,516	3,449	49,986
Current liabilities	(55,881)	(32,582)	(3,156)	(91,619)
Warehouse credit facilities	(25,850)	-	-	(25,850)
Long-term liabilities	(6,266)	(54,739)	(2,951)	(63,956)
	$ (1,184)	$ 7,728	$ 142	$ 6,686
Cash consideration, net of cash acquired of $50,331	$ (134,204)	$ (59,355)	$ (12,049)	$ (205,608)
Acquisition date fair value of contingent consideration	(9,250)	(12,204)	(2,263)	(23,717)
Total purchase consideration	$ (143,454)	$ (71,559)	$ (14,312)	$ (229,325)
Acquired intangible assets (note 11)				
Indefinite life	$ 29,200	$ -	$ -	$ 29,200
Finite life	$ 105,150	$ 51,100	$ 11,430	$ 167,680
Goodwill	$ 53,530	$ 56,838	$ 7,616	$ 117,984
Redeemable non-controlling interest	$ 43,242	$ 44,107	$ 4,876	$ 92,225

Indefinite life intangible assets consist mainly of the mortgage licenses acquired, and the fair value of these licenses are determined using revenue growth rates, attrition rates and applicable discount rates.

The MSR intangible asset acquired with Colliers Mortgage had a fair value of $99,900 at the acquisition date and had a weighted average useful life of 8.15 years. The key assumptions used in measuring the fair value of the MSR intangible assets at acquisition date included a discount rate of 11.20% and a conditional prepayment rate of 6.30%.

2019 acquisitions:
The Company acquired controlling interests in four businesses, two operating in the Americas (Virginia; North Carolina), one operating in EMEA (Sweden), and one operating in Asia Pacific (India).

The acquisition date fair value of consideration transferred and purchase price allocation was as follows:

	Aggregate Acquisitions
Current assets, excluding cash	$ 29,720
Non-current assets	7,989
Current liabilities	(18,616)
Long-term liabilities	(11,913)
	$ 7,180
Cash consideration, net of cash acquired of $4,765	$ (80,576)
Acquisition date fair value of contingent consideration	-
Total purchase consideration	$ (80,576)

Acquired intangible assets	**$ 42,226**
Goodwill	**$ 58,221**
Redeemable non-controlling interest	**$ 27,051**

In all years presented, the fair values of non-controlling interests were determined using an income approach with reference to a discounted cash flow model using the same assumptions implied in determining the purchase consideration.

The purchase price allocations of acquisitions resulted in the recognition of goodwill. The primary factors contributing to goodwill are assembled workforces, synergies with existing operations and future growth prospects. For acquisitions completed during the year ended December 31, 2020, goodwill in the amount of $61,146 is deductible for income tax purposes (2019 - $12,816).

The Company typically structures its business acquisitions to include contingent consideration. Certain vendors, at the time of acquisition, are entitled to receive a contingent consideration payment if the acquired businesses achieve specified earnings levels during the one- to five-year periods following the dates of acquisition. The ultimate amount of payment is determined based on a formula, the key inputs to which are (i) a contractually agreed maximum payment; (ii) a contractually specified earnings level and (iii) the actual earnings for the contingency period. If the acquired business does not achieve the specified earnings level, the maximum payment is reduced for any shortfall, potentially to nil.

Unless it contains an element of compensation, contingent consideration is recorded at fair value each reporting period. The fair value recorded on the consolidated balance sheet as at December 31, 2020 was $115,643 (December 31, 2019 - $84,992). See note 25 for discussion on the fair value of contingent consideration. Contingent consideration with a compensatory element is revalued at each reporting period and recognized on a straight-line basis over the term of the contingent consideration arrangement. The liability recorded on the balance sheet for the compensatory element of contingent consideration arrangements as at December 31, 2020 was $17,646 (December 31, 2019 - $23,014). The estimated range of outcomes (undiscounted) for all contingent consideration arrangements, including those with an element of compensation is determined based on the formula price and the likelihood of achieving specified earnings levels over the contingency period, and ranges from $184,660 to a maximum of $208,610. These contingencies will expire during the period extending to December 2024.

The consideration for the acquisitions during the year ended December 31, 2020 was financed from borrowings on the Revolving Credit Facility and cash on hand. During the year ended December 31, 2020, $29,405 was paid with reference to contingent consideration (2019 - $23,962).

The amounts of revenues and earnings contributed from the dates of acquisition and included in the Company's consolidated results for the year ended December 31, 2020, and the supplemental pro forma revenues and earnings of the combined entity had the acquisition dates been January 1, 2019, are as follows:

	Revenues	Net earnings
Actual from acquired entities for 2020	$ 194,977	$ 24,449
Supplemental pro forma for 2020 (unaudited)	2,927,994	104,662
Supplemental pro forma for 2019 (unaudited)	3,378,981	163,942

Supplemental pro forma results were adjusted for non-recurring items.

5. Real estate assets held for sale

From time to time, the Company's Investment Management segment purchases real estate assets for placement into a fund. This typically occurs in the early stages of fundraising where temporary liquidity is needed to fund investment opportunities that arise prior to the availability of fund capital. The purchased assets are recorded as real estate assets held for sale prior to the ultimate sale to the identified fund. The assets are typically held for a short period of time not expected to exceed twelve months. The transactions are not intended as an alternative source of operating earnings and the arrangements to sell the assets to a fund are generally structured not to generate any gain or loss. The purchases are accounted for by the acquisition method of accounting for asset purchases that do not constitute the acquisition of a business.

In December 2019, the Company acquired a controlling interest in a portfolio of land and buildings located in the United Kingdom and associated liabilities ("Asset A") from an unrelated party. In May 2020, the Company sold Asset A to a fund, without gain or loss.

In July 2020, the Company acquired a controlling interest in an undeveloped parcel of land located in the United Kingdom and associated liabilities ("Asset B") from an unrelated party. In December 2020, the Company sold Asset B to a fund, without gain or loss.

In November 2020, the Company acquired a controlling interest in an undeveloped parcel of land located in the United States and associated liabilities ("Asset C") from an unrelated party. In December 2020, the Company sold Asset C to a fund, without gain or loss.

Each of these transactions are related to newly established closed-end funds which are managed by the Company and as is customary for closed-end funds, the Company has a limited partner equity interest of between 1% and 2%.

During the year ended December 31, 2020, the real estate assets generated $2,396 of net earnings (2019 - $195) which was included in the Company's consolidated net earnings.

6. Acquisition-related items

Acquisition-related expense comprises the following:

	Year ended December 31,	
	2020	2019
Transaction costs (note 4)	**$ 16,169**	$ 5,725
Contingent consideration fair value adjustments	**23,393**	10,849
Contingent consideration compensation expense	**6,286**	11,958
	$ 45,848	$ 28,532

Contingent consideration compensation expense and contingent consideration fair value adjustments relate to acquisitions made in the current year as well as the preceding four years.

7. Other income, net

	Year ended December 31,	
	2020	2019
Loss (gain) on investments	**$ 271**	$ (109)
Fair value adjustment on DPP (note 16)	**142**	465
Other	**(400)**	(144)
	$ 13	$ 212

8. Prepaid expenses and other assets

	As at December 31,	
	2020	2019
Prepaid expenses	**$ 35,956**	$ 42,826
Advisor loans receivable	**18,571**	18,448
Investments in equity securities	**3,918**	10,788
Investments in debt securities	**12,525**	1,862
Deferred Purchase Price (notes 16, 25)	**87,957**	69,873
Other	**18,853**	1,374
Prepaid and other assets (Current Assets)	**$ 177,780**	$ 145,171

	As at December 31,	
	2020	2019
Advisor loans receivable	**$ 42,900**	$ 48,283
Equity method investments	**11,154**	5,926
Investments in equity securities	**5,261**	5,565
Investments in debt securities	**3,948**	4,189
Financing fees, net of accumulated amortization of $4,956 (December 31, 2019 - $3,632)	3,751	4,469
Other	**7,341**	1,078
Other assets (Non-Current Assets)	**$ 74,355**	$ 69,510

Held to maturity investments
Investments in debt securities include held-to-maturity investments current $2,585 and non-current $3,948, both of which are recorded at amortized cost. The amortized cost (carrying value) of these investments approximated fair value. At December 31, 2020, all of these investments mature within 10 years.

Investments in equity securities
Investments in equity securities (current) include $3,847 (2019 - $3,887) recorded at fair value (see note 25). The remainder of current and non-current investments in equity securities are recorded at fair value following the net asset value practical expedient or recorded at cost less impairment adjusted for observable prices.

9. Leases

The Company enters into premise leases and equipment leases as a lessee.

(a) Premise leases

The Company leases office space where the remaining lease term ranges from less than one year to fifteen years. Leases generally include an initial contract term but some leases include an option to renew the lease for an additional period at the end of this initial term. These renewal periods range in length up to a period equivalent to the initial term of the lease. All of the Company's premise leases are classified as operating leases.

(b) Equipment leases

The Company leases certain equipment in its operations, including furniture and equipment, computer equipment and vehicles. Equipment leases may consist of operating leases or finance leases based upon the assessment of the facts at the commencement date of the lease. The remaining lease terms for equipment leases range from one year to five years. Certain leases may have the option to extend the leases for a short period or to purchase the asset at the end of the lease term.

The components of lease expense were as follows:

	Year ended December 31,	
	2020	2019
Operating lease cost	**$ 82,643**	$ 77,394
Finance lease cost		
Amortization of right-of-use assets	**898**	920
Interest on lease liabilities	**17**	19
Variable lease cost	**25,297**	26,030
Short term lease cost	**3,662**	4,712
Total lease expense	**$ 112,517**	$ 109,075
Sublease revenues	**(2,844)**	(3,124)
Total lease cost, net of sublease revenues	**$ 109,673**	$ 105,951

Supplemental information related to leases was as follows:

	Year ended December 31,	
	2020	2019
Operating leases recognized on transition to ASC 842	**$ -**	$ 274,696
Right-of-use assets obtained in exchange for new operating lease obligations	91,575	36,945
Right-of-use assets obtained in exchange for new finance lease obligations	2,160	400
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	**$ (83,351)**	$ (79,764)
Operating cash flows from finance leases	**(17)**	(19)
Financing cash flows from finance leases	**(884)**	(874)

Supplemental balance sheet information related to leases was as follows:

	As at December 31,	
	2020	2019
Operating leases		
Operating lease right-of-use assets	**$ 288,134**	$ 263,639
Operating lease liabilities - current	**$ (78,923)**	$ (69,866)
Operating lease liabilities - non-current	**(251,680)**	(229,224)
Total operating lease liabilities	**$ (330,603)**	$ (299,090)
Finance leases		
Fixed assets, gross	**$ 4,662**	$ 3,164
Accumulated depreciation	**(2,327)**	(2,320)
Fixed assets, net	**$ 2,335**	$ 844
Long-term debt - current	**$ (1,113)**	$ (550)
Long-term debt - non-current	**(1,316)**	(303)
Total finance lease liabilities	**$ (2,429)**	$ (853)

Maturities of lease liabilities were as follows:

	One year	Two years	Three years	Four years	Five years	Thereafter	Total
Operating leases	$ 87,112	$ 74,269	$ 59,617	$ 46,302	$ 33,393	$ 60,239	$ 360,932
Present value of operating lease liabilities							330,603
Difference between undiscounted cash flows and discounted cash flows							$ 30,329
Finance leases	$ 1,115	$ 855	$ 470	$ 9	$ -	$ -	$ 2,449
Present value of finance lease liabilities							2,429
Difference between undiscounted cash flows and discounted cash flows							$ 20

	As at December 31, **2020**
Weighted average remaining lease term	
Operating leases (years)	**5.4**
Finance leases (years)	**2.0**
Weighted average discount rate	
Operating leases	**3.1%**
Finance leases	**1.5%**

As of December 31, 2020, the Company has additional operating leases, primarily for premises, that have not yet commenced of $150,692. These operating leases will commence within the next year and have lease terms ranging from one to fifteen years.

10. Fixed assets

December 31, 2020	Cost	Accumulated depreciation	**Net**
Buildings	$ 2,558	$ 1,321	**$ 1,237**
Vehicles	8,539	2,505	**6,034**
Furniture and equipment	82,117	53,353	**28,764**
Computer equipment and software	151,246	114,429	**36,817**
Leasehold improvements	113,786	57,417	**56,369**
	$ 358,246	$ 229,025	**$ 129,221**

ROU assets - Finance leases are included in these balances.

December 31, 2019	Cost	Accumulated depreciation	Net
Buildings	$ 2,521	$ 1,178	$ 1,343
Vehicles	2,563	1,628	935
Furniture and equipment	66,338	48,194	18,144
Computer equipment and software	139,685	101,532	38,153
Leasehold improvements	96,102	47,480	48,622
	$ 307,209	$ 200,012	$ 107,197

11. Intangible assets

The following table summarizes the gross value, accumulated amortization and net carrying value of the Company's indefinite life and finite life intangible assets:

December 31, 2020	Gross carrying amount	Accumulated amortization	**Net**
Indefinite life intangible assets:			
Licenses	$ 29,200	$ -	**$ 29,200**
Trademarks and trade names	24,096	-	**24,096**
	$ 53,296	$ -	**$ 53,296**
Finite life intangible assets:			
Customer lists and relationships	$ 345,511	$ 123,368	**$ 222,143**
Investment management contracts	270,600	60,723	**209,877**
Mortgage servicing rights ("MSRs")	114,909	13,121	**101,788**
Franchise rights	5,630	5,322	**308**
Trademarks and trade names	14,803	4,355	**10,448**
Management contracts and other	20,813	12,406	**8,407**
Backlog	16,307	12,244	**4,063**
	$ 788,573	$ 231,539	**$ 557,034**
	$ 841,869	$ 231,539	**$ 610,330**

December 31, 2019	Gross carrying amount	Accumulated amortization	Net
Indefinite life intangible assets:			
Trademarks and trade names	$ 23,810	$ -	$ 23,810
	$ 23,810	$ -	$ 23,810
Finite life intangible assets:			
Customer lists and relationships	$ 310,856	$ 115,987	$ 194,869
Investment management contracts	270,600	36,434	234,166
Franchise rights	5,163	4,505	658
Trademarks and trade names	12,435	2,398	10,037
Management contracts and other	16,088	9,306	6,782
Backlog	8,558	1,426	7,132
	$ 623,700	$ 170,056	$ 453,644
	$ 647,510	$ 170,056	$ 477,454

In May 2020, the Company acquired MSR intangible assets in its acquisition of Colliers Mortgage. MSR intangible assets represent the carrying value of servicing assets in the Americas segment. The MSR asset is being amortized over the estimated period that the net servicing income is expected to be received. The amount of MSRs recognized in 2020 are summarized in the table below.

	2020
Balance, January 1	**$ -**
Recognized on business acquisitions	**99,900**
Additions, following the sale of loan	**15,009**
Amortization expense	**(8,553)**
Prepayments and write-offs	**(4,568)**
Balance, December 31	**$ 101,788**

During the year ended December 31, 2020, the Company acquired the following intangible assets:

	Amount	Estimated weighted average amortization period (years)
Indefinite life intangible assets:		
Licenses - indefinite life	$ 29,200	-
Finite life intangible assets:		
Customer lists and relationships	$ 52,193	9.8

Mortgage servicing rights (MSR)	99,900	8.2
Trademarks and trade names - finite life	3,500	2.0
Customer backlog	8,740	0.7
Other	4,800	4.6
	$ 198,333	8.1

The following is the estimated future expense for amortization of the recorded MSRs and other intangible assets for each of the next five years and thereafter:

For the year ended December 31,	MSRs	Other Intangibles	Total
2021	$ 13,469	68,831	**$ 82,300**
2022	12,376	62,153	**74,529**
2023	11,516	58,429	**69,945**
2024	10,730	48,828	**59,558**
2025	9,652	41,493	**51,145**
Thereafter	44,045	175,512	**219,557**
	$ 101,788	455,246	**$ 557,034**

12. Goodwill

	Americas	EMEA	Asia Pacific	Investment Management	Consolidated
Balance, December 31, 2018	$ 207,799	253,752	46,931	379,412	$ 887,894
Goodwill acquired during the year	11,970	846	45,405	-	58,221
Other items	330	4,404	-	-	4,734
Foreign exchange	311	(1,669)	(9)	(261)	(1,628)
Balance, December 31, 2019	220,410	257,333	92,327	379,151	949,221
Goodwill acquired during the year	117,984	-	-	-	117,984
Other items	-	-	150	-	150
Foreign exchange	(667)	18,213	2,942	1,141	21,629
Balance, December 31, 2020	**337,727**	**275,546**	**95,419**	**380,292**	**1,088,984**
Goodwill	363,998	278,858	95,419	380,292	1,118,567
Accumulated impairment loss	(26,271)	(3,312)	-	-	(29,583)
	$ 337,727	**$ 275,546**	**$ 95,419**	**$ 380,292**	**$ 1,088,984**

A test for goodwill impairment is required to be completed annually, in the Company's case as of August 1, or more frequently if events or changes in circumstances indicate the asset might be impaired. No goodwill impairments were recorded in 2020 or 2019. The accumulated impairment loss reflects a goodwill impairment incurred in 2009.

13. Long-term debt

	As at December 31, **2020**	2019
Revolving Credit Facility	**$ 213,239**	$ 371,929
Senior Notes	**255,790**	234,901
Capital leases maturing at various dates through 2022	**2,430**	854
Other long-term debt maturing at various dates up to 2022	**8,436**	3,720
	479,895	611,404
Less: current portion	**9,024**	4,223
Long-term debt - non-current	**$ 470,871**	$ 607,181

The Company has a multi-currency senior unsecured revolving credit facility (the "Revolving Credit Facility") of $1,000,000. The Revolving Credit Facility has a 5-year term ending April 30, 2024 and bears interest at an applicable margin of 1.25% to 3.0% over floating reference rates, depending on financial leverage ratios. The weighted average interest rate at December 31, 2020 was 3% (2019 – 3.4%). The Revolving Credit Facility had $777,322 of available undrawn credit as at December 31, 2020. As of December 31, 2020, letters of credit in the amount of $15,663 were outstanding ($9,836 as at December 31, 2019). The Revolving Credit Facility requires a commitment fee of 0.25% to 0.6% of the unused portion, depending on certain leverage ratios. At any time during the term, the Company has the right to increase the Revolving Credit Facility by up to $250,000 on the same terms and conditions.

The Company has outstanding €210,000 of senior unsecured notes with a fixed interest rate of 2.23% (the "Senior Notes"), which are

held by a group of institutional investors. The Senior Notes have a 10-year term ending May 30, 2028.

The Revolving Credit Facility and the Senior Notes rank equally in terms of seniority and have similar financial covenants. The Company is required to maintain financial covenants including leverage and interest coverage. The Company was in compliance with these covenants as of December 31, 2020. The Company is limited from undertaking certain mergers, acquisitions and dispositions without prior approval.

The effective interest rate on the Company's long-term debt for the year ended December 31, 2020 was 3.9% (2019 – 3.8%). The estimated aggregate amount of principal repayments on long-term debt required in each of the next five years ending December 31 and thereafter to meet the retirement provisions are as follows:

For the year ended December 31,	
2021	$ 9,023
2022	1,120
2023	713
2024	213,248
2025 and thereafter	255,791
	$ 479,895

14. Convertible notes

On May 19, 2020, the Company issued $230,000 aggregate principal of 4.0% Convertible Senior Subordinated Notes (the "Convertible Notes") at par value. The Convertible Notes will mature on June 1, 2025 and bear interest of 4.0% per annum, payable semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2020. The Convertible Notes are accounted for entirely as debt as no portion of the proceeds is required to be accounted for as attributable to the conversion feature. The Convertible Notes are unsecured and subordinated to all of the Company's existing and future secured indebtedness, and are treated as equity for financial leverage calculations under the Company's Revolving Credit Facility and Senior Notes.

At the holder's option, the Convertible Notes may be converted at any time prior to maturity into Subordinate Voting Shares based on an initial conversion rate of approximately 17.2507 Subordinate Voting Shares per $1,000 principal amount of Convertible Notes, which represents an initial conversion price of $57.97 per Subordinate Voting Share.

The Company, at its option, may also redeem the Convertible Notes, in whole or in part, on or after June 1, 2023 at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest, provided that the last reported trading price of the Subordinate Voting Shares for any 20 trading days in a consecutive 30 trading day period preceding the date of the notice of redemption is not less than 130% of the conversion price.

Subject to specified conditions, the Company may elect to repay some or all of the outstanding principal amount of the Convertible Notes, on maturity or redemption, through the issuance of Subordinate Voting Shares.

In connection with the issuance of the Convertible Notes, the Company incurred financing costs of $6,795 which are being amortized over five years using the effective interest rate method. For the year ended December 31, 2020 there was $752 of financing fee amortization included in interest expense within the accompanying Consolidated Statements of Earnings. The effective interest rate on the Convertible Notes is approximately 4.7%.

15. Warehouse credit facilities

The following table summarizes the Company's mortgage warehouse credit facilities as at December 31, 2020:

		December 31, 2020	
	Current Maturity	**Maximum Capacity**	**Carrying Value**
Facility A - LIBOR plus 1.60%	January 11, 2021	$ 275,000	$ 167,004
Facility B - SOFR plus 1.70%	On demand	125,000	51,014
		$ 400,000	$ 218,018

Colliers Mortgage has warehouse credit facilities which are used exclusively for the purpose of funding warehouse mortgages receivable. The warehouse credit facilities are recourse only to Colliers Mortgage; these facilities are revolving and are secured by warehouse mortgages financed on the facilities, if any.

On January 11, 2021 Colliers Mortgage entered into an amendment to the financing agreement for Facility A modifying the borrowing capacity to $175,000 and extending the maturity date to October 20, 2021. On January 15, 2021 Colliers Mortgage entered into an additional amendment for Facility A temporarily increasing the borrowing capacity to $250,000 through March 31, 2021; The borrowing capacity will decrease to $125,000 on October 20, 2021.

16. AR Facility

On April 12, 2019, the Company established a structured accounts receivable facility (the "AR Facility") with committed availability of

$125,000 and an initial term of 364 days, unless extended or an earlier termination event occurs. On April 27, 2020, the Company extended the term of AR Facility for another 364 days. Under the AR Facility, certain of the Company's subsidiaries continuously sell trade accounts receivable and contract assets (the "Receivables") to wholly owned special purpose entities at fair market value. The special purpose entities then sell 100% of the Receivables to a third-party financial institution (the "Purchaser"). Although the special purpose entities are wholly owned subsidiaries of the Company, they are separate legal entities with their own separate creditors who will be entitled, upon their liquidation, to be satisfied out of their assets prior to any assets or value in such special purpose entities becoming available to their equity holders and their assets are not available to pay other creditors of the Company. As of December 31, 2020, the Company had drawn $97,959 under the AR Facility.

All transactions under the AR Facility are accounted for as a true sale in accordance with ASC 860, *Transfers and Servicing* ("ASC 860"). Following the sale and transfer of the Receivables to the Purchaser, the Receivables are legally isolated from the Company and its subsidiaries, and the Company sells, conveys, transfers and assigns to the Purchaser all its rights, title and interest in the Receivables. Receivables sold are derecognized from the consolidated balance sheet. The Company continues to service, administer and collect the Receivables on behalf of the Purchaser, and recognizes a servicing liability in accordance with ASC 860. The Company has elected the amortization method for subsequent measurement of the servicing liability, which is assessed for changes in the obligation at each reporting date. As of December 31, 2020, the servicing liability was nil.

Under the AR Facility, the Company receives a cash payment and a deferred purchase price ("Deferred Purchase Price" or "DPP") for sold Receivables. The DPP is paid to the Company in cash on behalf of the Purchaser as the Receivables are collected; however, due to the revolving nature of the AR Facility, cash collected from the Company's customers is reinvested by the Purchaser monthly in new Receivable purchases under the AR Facility. For the year ended December 31, 2020, Receivables sold under the AR Facility were $1,053,977 and cash collections from customers on Receivables sold were $1,065,650, all of which were reinvested in new Receivables purchases and are included in cash flows from operating activities in the consolidated statement of cash flows. As of December 31, 2020, the outstanding principal on trade accounts receivable, net of Allowance for Doubtful Accounts, sold under the AR Facility was $115,889; and the outstanding principal on contract assets, current and non-current, sold under the AR Facility was $71,025. See note 25 for fair value information on the DPP.

For the year ended December 31, 2020, the Company recognized a loss related to Receivables sold of $142 (2019 - $465) that was recorded in other expense in the consolidated statement of earnings. Based on the Company's collection history, the fair value of the Receivables sold subsequent to the initial sale approximates carrying value.

The non-cash investing activities associated with the DPP for the year ended December 31, 2020 were $70,079.

17. Variable interest entities

The Company holds variable interests in certain Variable Interest Entities ("VIE") in its Investment Management segment which are not consolidated as it was determined that the Company is not the primary beneficiary. The Company's involvement with these entities is in the form of advisory fee arrangements and equity co-investments (typically 1%-2%).

The following table provides the maximum exposure to loss related to these non-consolidated VIEs:

	As at December 31,	
	2020	2019
Investments in unconsolidated subsidiaries	**$ 6,158**	$ 1,981
Co-investment commitments	**14,345**	7,969
Maximum exposure to loss	**$ 20,503**	$ 9,950

18. Redeemable non-controlling interests

The minority equity positions in the Company's subsidiaries are referred to as redeemable non-controlling interests ("RNCI"). The RNCI are considered to be redeemable securities. Accordingly, the RNCI is recorded at the greater of (i) the redemption amount or (ii) the amount initially recorded as RNCI at the date of inception of the minority equity position. This amount is recorded in the "mezzanine" section of the balance sheet, outside of shareholders' equity. Changes in the RNCI amount are recognized immediately as they occur. The following table provides a reconciliation of the beginning and ending RNCI amounts:

	2020	**2019**
Balance, January 1	**$ 359,150**	**$ 343,361**
RNCI share of earnings	**27,550**	**24,558**
RNCI redemption increment	**15,843**	**7,853**
Distributions paid to RNCI	**(33,293)**	**(29,662)**
Purchase of interests from RNCI, net	**(19,100)**	**(14,011)**
RNCI recognized on business acquisitions	**92,225**	**27,051**
Balance, December 31	**$ 442,375**	**$ 359,150**

The Company has shareholders' agreements in place at each of its non-wholly owned subsidiaries. These agreements allow the Company to "call" the RNCI at a price determined with the use of a formula price, which is usually equal to a fixed multiple of average annual net earnings before income taxes, interest, depreciation, and amortization. The agreements also have redemption features which

allow the owners of the RNCI to "put" their equity to the Company at the same price subject to certain limitations. The formula price is referred to as the redemption amount and may be paid in cash or in Subordinate Voting Shares. The redemption amount as of December 31, 2020 was $415,141 (2019 - $333,064). The redemption amount is lower than that recorded on the balance sheet as the formula price of certain RNCI are lower than the amount initially recorded at the inception of the minority equity position. If all put or call options were settled with Subordinate Voting Shares as at December 31, 2020, approximately 4,600,000 such shares would be issued.

Increases or decreases to the formula price of the underlying shares are recognized in the statement of earnings as the NCI redemption increment.

19. Capital stock

The authorized capital stock of the Company is as follows:

An unlimited number of Preferred Shares, issuable in series;
An unlimited number of Subordinate Voting Shares having one vote per share; and
An unlimited number of Multiple Voting Shares having 20 votes per share, convertible at any time into Subordinate Voting Shares at a rate of one Subordinate Voting Share for each Multiple Voting Share outstanding.

The following table provides a summary of total capital stock issued and outstanding:

	Subordinate Voting Shares		*Multiple Voting Shares*		*Total Common Shares*	
	Number	Amount	Number	Amount	Number	Amount
Balances as at:						
December 31, 2019	38,519,517	$ 441,780	1,325,694	$ 373	39,845,211	$ 442,153
December 31, 2020	38,863,742	457,620	1,325,694	373	40,189,436	457,993

During the year ended December 31, 2020, the Company declared dividends on its Common Shares of $0.10 per share (2019 - $0.10).

Pursuant to an agreement approved in February 2004 and restated on June 1, 2015 (the "Long Term Arrangement"), the Company agreed that it will make payments to Jay S. Hennick, its Chairman & Chief Executive Officer ("CEO"), that are contingent upon the arm's length acquisition of control of the Company or upon a distribution of the Company's assets to shareholders. The payment amounts will be determined with reference to the price per Subordinate Voting Share received by shareholders upon an arm's length sale or upon a distribution of assets. The right to receive the payments may be transferred among members of the Chairman & CEO's family, their holding companies and trusts. The agreement provides for the Chairman & CEO to receive each of the following two payments. The first payment is an amount equal to 5% of the product of: (i) the total number of Subordinate and Multiple Voting Shares outstanding on a fully diluted basis at the time of the sale and (ii) the per share consideration received by holders of Subordinate and Multiple Voting Shares minus a base price of C$3.324. The second payment is an amount equal to 5% of the product of (i) the total number of shares outstanding on a fully diluted basis at the time of the sale and (ii) the per share consideration received by holders of Subordinate Voting Shares minus a base price of C$6.472. Assuming an arm's length acquisition of control of the Company took place on December 31, 2020, the amount required to be paid to the Chairman & CEO, based on a market price of C$113.28 per Subordinate Voting Share, would be US$393,850.

20. Net earnings per common share

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 income 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 year ended December 31, 2020.

The following table reconciles the basic and diluted common shares outstanding:

(in thousands of US dollars, except share information)	Year ended December 31, **2020**	2019
Net earnings attributable to Company	**$ 49,074**	$ 102,903
Adjusted numerator under the If-Converted Method	**$ 49,074**	$ 102,903
Shares issued and outstanding at beginning of period	**39,845,211**	39,213,136
Weighted average number of shares:		
Issued during the period	**140,657**	336,426

Weighted average number of shares used in computing basic earnings per share	39,985,868	39,549,562
Assumed exercise of stock options acquired under the Treasury Stock Method	193,296	431,456
Number of shares used in computing diluted earnings per share	40,179,164	39,981,018

21. Stock-based compensation

The Company has a stock option plan for certain officers, key full-time employees and directors of the Company and its subsidiaries, other than its Chairman & CEO who has a Long Term Arrangement as described in note 19. Options are granted at the market price for the underlying shares on the day immediately prior to the date of grant. Each option vests over a four-year term, expires five years from the date granted and allows for the purchase of one Subordinate Voting Share. All Subordinate Voting Shares issued are new shares. As at December 31, 2020, there were 352,500 options available for future grants.

Grants under the Company's stock option plan are equity-classified awards.

Stock option activity for the years ended December 31, 2020 and 2019 was as follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Shares issuable under options - December 31, 2018	1,897,425	$ 45.08		
Granted	960,000	70.99		
Exercised	(632,075)	34.71		
Forfeited	(223,750)	61.41		
Shares issuable under options - December 31, 2019	2,001,600	$ 58.96		
Granted	547,250	85.79		
Exercised	(344,225)	35.86		
Forfeited	(14,500)	70.07		
Shares issuable under options - December 31, 2020	2,190,125	$ 69.22	3.2	$ 43,606
Options exercisable - December 31,2020	747,975	$ 60.51	2.3	$ 21,407

The Company incurred stock-based compensation expense related to these awards of $9,628 during the year ended December 31, 2020 (2019 - $7,831). As at December 31, 2020, the range of option exercise prices was $31.62 to $88.90 per share.

The following table summarizes information about option exercises:

	Year ended December 31,	
	2020	2019
Number of options exercised	**344,225**	632,075
Aggregate fair value	**$ 25,919**	$ 43,873
Intrinsic value	**13,576**	21,934
Amount of cash received	**12,343**	21,939
Tax benefit recognized	**$ 102**	$ 1,322

As at December 31, 2020, there was $18,826 of unrecognized compensation cost related to non-vested awards which is expected to be recognized over the next four years. During the year ended December 31, 2020, the fair value of options vested was $7,841 (2019 - $6,727).

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model, utilizing the following weighted average assumptions:

	As at December 31,	
	2020	2019
Risk free rate	**0.2%**	2.1%
Expected life in years	**4.41**	4.75
Expected volatility	**36.5%**	28.8%
Dividend yield	**0.1%**	0.1%
Weighted average fair value per option granted	**$ 28.33**	$ 19.87

The risk-free interest rate is based on the implied yield of a zero-coupon US Treasury bond with a term equal to the option's expected term. The expected life in years represents the estimated period of time until exercise and is based on historical experience. The expected volatility is based on the historical prices of the Company's shares over the previous four years.

22. Income tax

The following is a reconciliation stated as a percentage of pre-tax income of the combined statutory corporate income tax rate of Ontario, Canada to the Company's effective tax rate:

	Year ended December 31,	
	2020	2019
Combined statutory rate	**26.5%**	26.5%
Nondeductible expenses	**1.5**	3.0
Tax effect of flow through entities	**(4.6)**	(2.0)
Impact of changes in foreign exchange rates	**0.3**	(0.1)
Adjustments to tax liabilities for prior periods	**(0.2)**	(0.1)
Effect of changes in enacted tax rate in other jurisdictions	**0.3**	0.3
Changes in liability for unrecognized tax benefits	**0.6**	-
Stock-based compensation	**1.5**	0.3
Foreign, state, and provincial tax rate differential	**(2.3)**	(1.5)
Change in valuation allowance	**3.8**	(0.4)
Acquisition related costs and contingent consideration	**1.6**	1.4
Withholding taxes and other	**1.8**	0.4
Effective income tax rate	**30.8%**	27.8%

Earnings before income tax by jurisdiction comprise the following:

	Year ended December 31,	
	2020	2019
Canada	**$ 8,257**	$ 10,876
United States	**53,111**	49,884
Foreign	**75,167**	129,838
Total	**$ 136,535**	$ 190,598

Income tax expense (recovery) comprises the following:

	Year ended December 31,	
	2020	2019
Current		
Canada	**$ 3,309**	$ 2,939
United States	**19,577**	15,029
Foreign	**32,344**	41,745
	55,230	59,713
Deferred		
Canada	**2,154**	238
United States	**(9,765)**	(520)
Foreign	**(5,573)**	(6,418)
	(13,184)	(6,700)
Total	**$ 42,046**	$ 53,013

The significant components of deferred tax assets and liabilities are as follows:

	As at December 31,	
	2020	2019
Loss carry-forwards and other credits	**$ 18,314**	$ 18,969
	33,442	28,446
Expenses not currently deductible		
Revenue not currently taxable	**(14,076)**	(6,212)
Stock-based compensation	**526**	386
Investments	**10,696**	7,870
Provision for doubtful accounts	**8,308**	4,585

Financing fees	**(325)**	(330)
Net unrealized foreign exchange losses	**560**	68
Depreciation and amortization	**(57,746)**	(44,577)
Operating leases	**8,110**	7,998
Less: valuation allowance	**(13,324)**	(7,801)
Net deferred tax (liabilities) assets	**$ (5,515)**	$ 9,402

As at December 31, 2020, the Company believes that it is more likely than not that its deferred tax assets of $45,008 will be realized based upon future income, consideration of net operating loss ("NOL") limitations, earnings trends, and tax planning strategies. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future income are reduced.

The Company has pre-tax NOL carry-forward balances as follows:

	Pre-tax loss carry forward		Pre-tax losses not recognized		Pre-tax losses recognized	
	2020	2019	**2020**	2019	**2020**	2019
Canada	**$ 5,632**	$ 16,525	**$ 65**	$ 24	**$ 5,567**	$ 16,501
United States	**3,059**	3,144	**924**	922	**2,135**	2,222
Foreign	**53,997**	40,006	**32,091**	21,476	**21,906**	18,530

The Company has pre-tax capital loss carry-forwards as follows:

	Pre-tax loss carry forward		Pre-tax losses not recognized		Pre-tax losses recognized	
	2020	2019	**2020**	2019	**2020**	2019
Canada	**$ 1,922**	$ 1,864	**$ 1,922**	$ 1,758	**$ -**	$ 106
United States	**1,698**	1,698	**1,698**	1,698	**-**	-
Foreign	**6,876**	6,271	**6,876**	6,271	**-**	-

These amounts above are available to reduce future, federal, state, and provincial income taxes in their respective jurisdictions. NOL carry-forward balances attributable to Canada begin to expire in 2035. NOL carry-forward balances attributable to the United States begin to expire in 2028. Foreign NOL carry-forward balances begin to expire in 2021. The utilization of NOLs may be subject to certain limitations under federal, provincial, state or foreign tax laws.

Cumulative unremitted foreign earnings of US subsidiaries is nil (2019 - nil). Cumulative unremitted foreign earnings of international subsidiaries (other than the US) approximated $117,897 as at December 31, 2020 (2019 - $107,323). The Company has not provided a deferred tax liability on the unremitted foreign earnings as it is management's intent to permanently reinvest such earnings outside of Canada. In addition, any repatriation of such earnings would not be subject to significant Canadian or foreign taxes.

A reconciliation of the beginning and ending amounts of the liability for unrecognized tax benefits is as follows:

	2020	2019
Balance, January 1	**$ 1,468**	$ 1,460
Gross increases for tax positions of prior periods	**908**	71
Reduction for lapses in applicable statutes of limitations	**(87)**	(129)
Foreign currency translation	**55**	66
Balance, December 31	**$ 2,344**	$ 1,468

Of the $2,344 (2019 - $1,468) in gross unrecognized tax benefits, $2,344 (2019 - $1,468) would affect the Company's effective tax rate if recognized. For the year-ended December 31, 2020, additional interest and penalties of $224 related to uncertain tax positions was accrued (2019 - $72; 2018 - $6). The Company reversed $44 of accrued interest and penalties related to positions lapsed in applicable statute of limitations in 2020 (2019 - $80; 2018 - $173). As at December 31, 2020, the Company had accrued $362 (2019 - $182) for potential income tax related interest and penalties.

Within the next twelve months, the Company believes it is reasonably possible that $262 of unrecognized tax benefits associated with uncertain tax positions may be reduced due to lapses in statutes of limitations.

The Company files tax returns in Canada and multiple foreign jurisdictions. The number of years with open tax audits varies depending on the tax jurisdiction. Generally, income tax returns filed with the Canada Revenue Agency and related provinces are open for four to seven years and income tax returns filed with the United States Internal Revenue Service and related states are open for three to five years. Tax returns for significant other jurisdictions in which the Company conducts business are generally open for four years.

The Company does not currently expect any other material impact on earnings to result from the resolution of matters related to open taxation years, other than noted above. Actual settlements may differ from the amounts accrued. The Company has, as part of its

analysis, made its current estimates based on facts and circumstances known to date and cannot predict changes in facts and circumstances that may affect its current estimates.

23. Pension plan

The Company has a defined benefit pension plan (the "Plan"), which was assumed in connection with a business acquired during 2016. The Plan covers eligible employees in the Netherlands and provides old age, survivor, orphan and disability benefits. Effective December 31, 2016, enrollment in the Plan was frozen and no additional employees are entitled to join the Plan.

The Plan is covered by an insurance contract which limits the Company's exposure to returns below a fixed discount rate. Effective August 31, 2019, the Company amended its insurance contract reducing its exposure to gains and losses as related to the fair value of the Plan assets and the projected benefit obligations under the Plan. The amendment constituted a settlement of $45,388 under ASC 715, as a result of the settlement, the insurance benefits were removed from the plan assets and the fair value of Plan assets reduced to $10 and the projected benefit obligation reduced to $1,813 as at December 31, 2019.

On December 31, 2020 the amended contract with the insurance company expired. The Company and the employees also completed an agreement to terminate the defined benefit plan and move to a defined contribution plan. The Company fully curtailed and terminated the plan which resulted in a gain of $2,093 recognized through net earnings in the year ended December 31, 2020.

24. Other supplemental information

	Year ended December 31,	
	2020	2019
Cash payments made during the year		
Income tax, net of refunds	**$ 46,492**	$ 73,031
Interest	**29,148**	27,685
Non-cash financing activities		
Dividends declared but not paid	**2,009**	1,992
Other expenses		
Rent expense	**$ 79,795**	$ 76,893

25. Financial instruments

Concentration of credit risk
The Company is subject to credit risk with respect to its cash and cash equivalents, accounts receivable, unbilled revenues, other receivables and advisor loans receivable. Concentrations of credit risk with respect to cash and cash equivalents are limited by the use of multiple large and reputable banks. Concentrations of credit risk with respect to receivables are limited due to the large number of entities comprising the Company's customer base and their dispersion across different service lines in various countries.

Foreign currency risk
Foreign currency risk is related to the portion of the Company's business transactions denominated in currencies other than US dollars. A significant portion of revenue is generated by the Company's Canadian, Australian, UK and Euro currency operations. The Company's head office expenses are incurred primarily in Canadian dollars which are hedged by Canadian dollar denominated revenue.

Fluctuations in foreign currencies impact the amount of total assets and liabilities that are reported for foreign subsidiaries upon the translation of these amounts into US dollars. In particular, the amount of cash, working capital, goodwill and intangibles held by these subsidiaries is subject to translation variance caused by changes in foreign currency exchange rates as of the end of each respective reporting period (the offset to which is recorded to accumulated other comprehensive income on the consolidated balance sheets).

Interest rate risk
The Company utilizes an interest rate risk management strategy that may use interest rate hedging contracts from time to time. The Company's specific goals are to: (i) manage interest rate sensitivity by modifying the characteristics of its debt and (ii) lower the long-term cost of its borrowed funds.

In April 2017, the Company entered into interest rate swap agreements to convert the LIBOR floating interest rate on $100,000 of US dollar denominated debt into a fixed interest rate of 1.897% plus the applicable margin. The swaps have a maturity of January 18, 2022.

In December 2018, the Company entered into additional interest rate swap agreements to convert the LIBOR floating interest rate on $100,000 of US dollar denominated debt into a fixed interest rate of 2.7205% plus the applicable margin. The swaps have a maturity of April 30, 2023.

The swaps are being accounted for as cash flow hedges and are measured at fair value on the balance sheet. Gains or losses on the swaps, which are determined to be effective as hedges, are reported in other comprehensive income.

Fair values of financial instruments
The following table provides the financial assets and liabilities carried at fair value measured on a recurring basis as of December 31, 2020:

	Carrying value at December 31, 2020	Fair value measurements		
		Level 1	Level 2	Level 3
Assets				
Cash equivalents	$ 10,974	$ 10,974	$ -	$ -
Equity securities	3,983	3,847	136	-
Debt securities	9,940	-	9,940	-
Mortgage derivative assets	18,383	-	18,383	-
Warehouse receivables	232,207	-	232,207	-
Deferred Purchase Price on AR Facility	87,957	-	-	87,957
Total assets	$ 363,444	$ 14,821	$ 260,666	$ 87,957
Liabilities				
Mortgage derivative liability	$ 7,062	$ -	$ 7,062	$ -
Interest rate swap liability	7,946		7,946	
Contingent consideration liability	115,643	-	-	115,643
Total liabilities	$ 130,651	$ -	$ 15,008	$ 115,643

There were no significant non-recurring fair value measurements recorded during the year ended December 31, 2020 or 2019.

Cash equivalents
Cash equivalents include highly liquid investments with original maturities of less than three months. Actively traded cash equivalents where a quoted price is readily available are classified as Level 1 in the fair value hierarchy.

Warehouse receivables
As at December 31, 2020, all of the Company's mortgage warehouse receivables were under commitment to be purchased by a GSE or by a qualifying investor. These assets are classified as Level 2 in the fair value hierarchy as a substantial majority of the inputs are readily observable.

Mortgage-related derivatives
The fair value of interest rate lock commitments and forward sale commitments are derivatives and considered Level 2 valuations. Fair value measurements for both interest rate lock commitments and forward sales commitment consider observable market data, particularly changes in interest rates. In the case of interest rate lock commitments, the fair value measurement also considers the expected net cash flows associated with the servicing of the loans or the fair value of MSRs. However, the Company has evaluated the impact of the fair value of the MSRs on the fair value of the derivatives and they do not have a significant impact on the derivative fair values. The Company also considers the impact of counterparty non-performance risk when measuring the fair value of these derivatives. Given the credit quality of the Company's counterparties, the short duration of interest rate lock commitments and forward sales contracts and the Company's historical experience, the risk of nonperformance by the counterparties does not have a significant impact on the determination of fair value.

AR Facility deferred purchase price ("DPP")
The Company recorded a DPP under its AR Facility. The DPP represents the difference between the fair value of the Receivables sold and the cash purchase price and is recognized at fair value as part of the sale transaction. The DPP is remeasured each reporting period in order to account for activity during the period, including the seller's interest in any newly transferred Receivables, collections on previously transferred Receivables attributable to the DPP and changes in estimates for credit losses. Changes in the DPP attributed to changes in estimates for credit losses are expected to be immaterial, as the underlying Receivables are short-term and of high credit quality. The DPP is valued using Level 3 inputs, primarily discounted cash flows, with the significant inputs being discount rates ranging from 2.5% to 5.0% depending upon the aging of the Receivables. See note 16 for information on the AR Facility.

Changes in the fair value of the DPP comprises the following:

	2020	2019
Balance, January 1	**$ 69,873**	$ -
Additions to DPP	**68,017**	100,252
Collections on DPP	**(51,994)**	(28,100)
Fair value adjustment	**(142)**	(465)
Foreign exchange and other	**2,203**	(1,814)

Balance, December 31	**$ 87,957**	$ 69,873

Contingent acquisition consideration
The inputs to the measurement of the fair value of contingent consideration related to acquisitions are Level 3 inputs. The fair value measurements were made using a discounted cash flow model; significant model inputs were expected future operating cash flows (determined with reference to each specific acquired business) and discount rates (which range from 2.1% to 9.5%, with a weighted average of 4.6%). The wide range of discount rates is attributable to level of risk related to economic growth factors combined with the length of the contingent payment periods; and the dispersion was driven by unique characteristics of the businesses acquired and the respective terms for these contingent payments. A 2% increase in the weighted average discount rate would reduce the fair value of contingent consideration by $3,400.

Changes in the fair value of the contingent consideration liability comprises the following:

	2020	2019
Balance, January 1	**$ 84,993**	$ 93,865
Amounts recognized on acquisitions	**23,717**	-
Fair value adjustments (note 6)	**23,393**	10,849
Resolved and settled in cash	**(17,249)**	(19,665)
Other	**788**	(56)
Balance, December 31	**$ 115,643**	$ 84,993
Less: current portion	**$ 5,802**	$ 16,813
Non-current portion	**$ 109,841**	$ 68,180

The carrying amounts for cash, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate fair values due to the short maturity of these instruments, unless otherwise indicated. The inputs to the measurement of the fair value of non-current receivables, advisor loans and long-term debt are Level 3 inputs. The fair value measurements were made using a net present value approach; significant model inputs were expected future cash outflows and discount rates.

The following are estimates of the fair values for other financial instruments:

	December 31, 2020		December 31, 2019	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Other receivables	**$ 14,989**	**$ 14,989**	$ 16,678	$ 16,678
Advisor loans receivable (non-current)	**42,900**	**42,900**	48,283	48,283
Long-term debt (non-current)	**215,081**	**215,081**	372,281	372,281
Senior Notes	**255,790**	**275,928**	234,901	254,858
Convertible Notes	**223,957**	**230,000**	-	-

Other receivables include notes receivable from non-controlling interests and non-current income tax recoverable.

26. Commitments and Contingencies

(a) Purchase commitments
Minimum contractual purchase commitments for the years ended December 31 are as follows:

Year ended December 31,	
2021	$ 18,076
2022	4,695
2023	2,557
2024	1,540
2025	1,540
Thereafter	4,904
	$ 33,312

(b) Contingencies

In the normal course of operations, the Company is subject to routine claims and litigation incidental to its business. Litigation currently pending or threatened against the Company includes disputes with former employees and commercial liability claims related to services provided by the Company. The Company believes resolution of such proceedings, combined with amounts set aside, will not have a material impact on the Company's financial condition or the results of operations.

In May 2020, the Company acquired a controlling interest in Colliers Mortgage, a lender in the Fannie Mae DUS Program. Commitments for the origination and subsequent sale and delivery of loans to Fannie Mae represent those mortgage loan transactions where the borrower has locked an interest rate and scheduled closing and the Company has entered into a mandatory delivery commitment to sell the loan to Fannie Mae. As discussed in note 25, the Company accounts for these commitments as derivatives recorded at fair value.

Colliers Mortgage is obligated to share in losses, if any, related to mortgages originated under the DUS Program. These obligations expose the Company to credit risk on mortgage loans for which the Company is providing underwriting, servicing, or other services under the DUS Program. Net losses on defaulted loans are shared with Fannie Mae based upon established loss-sharing ratios, and typically, the Company is subject to sharing up to one-third of incurred losses on loans originated under the DUS Program. As of December 31, 2020, the Company has funded and sold loans subject to such loss sharing obligations with an aggregate unpaid principal balance of approximately $4,000,000. As at December 31, 2020, the Loss Reserve was $15,194 and was included within Other liabilities on the Consolidated Balance Sheets.

Pursuant to the Company's licenses with Fannie Mae, Ginnie Mae and HUD the Company is required to maintain certain standards for capital adequacy which include minimum net worth and liquidity requirements. If it is determined at any time that the Company fails to maintain appropriate capital adequacy, the licensor reserves the right to terminate the Company's servicing authority for all or some of the portfolio. At December 31, 2020, the licensees were in compliance with all such requirements.

27. Related party transactions

As at December 31, 2020, the Company had $3,356 of loans receivable from non-controlling shareholders (2019 - $3,430). The majority of the loans receivable represent amounts assumed in connection with acquisitions and amounts issued to non-controlling interests to finance the sale of non-controlling interests in subsidiaries to senior managers. The loans are of varying principal amounts and interest rates which range from nil to 4.0%. These loans are due on demand or mature on various dates up to 2026, but are open for repayment without penalty at any time.

See note 19 for discussion of an arrangement between the Company and Jay S. Hennick, its CEO.

28. Revenue

Disaggregated revenue
Colliers has disaggregated its revenue from contracts with customers by type of service and region as presented in the following table.

OPERATING SEGMENT REVENUES

	Americas	EMEA	Asia Pacific	Investment Mgmt	Corporate	Consolidated
Year ended December 31,						
2020						
Leasing	**$ 495,597**	**$ 107,947**	**$ 82,917**	**$ -**	**$ 21**	**$ 686,482**
Capital Markets	**460,224**	**136,479**	**104,201**	**-**	**-**	**700,904**
Property services	**471,377**	**162,853**	**200,727**	**-**	**-**	**834,957**
Valuation and advisory	**162,672**	**104,498**	**71,463**	**-**	**-**	**338,633**
IM - Advisory and other	**-**	**-**	**-**	**168,404**	**-**	**168,404**
IM - Incentive Fees	**-**	**-**	**-**	**4,190**	**-**	**4,190**
Other	**36,502**	**4,730**	**11,324**	**-**	**731**	**53,287**
Total Revenue	**$ 1,626,372**	**$ 516,507**	**$ 470,632**	**$ 172,594**	**$ 752**	**$ 2,786,857**
2019						
Leasing	$ 691,149	$ 139,141	$ 115,916	$ -	$ 193	$ 946,399
Capital Markets	424,703	192,673	158,533	-	-	775,909
Property services	388,117	189,543	187,183	-	-	764,843
Valuation and advisory	167,919	109,517	69,028	-	-	346,464
IM - Advisory and other	-	-	-	155,426	-	155,426
IM - Incentive Fees	-	-	-	19,162	-	19,162
Other	18,619	5,592	11,949	-	1,448	37,608
Total Revenue	$ 1,690,507	$ 636,466	$ 542,609	$ 174,588	$ 1,641	$ 3,045,811

Revenue associated with the Company's debt finance and loan servicing operations are outside the scope of ASC 606. In the year ended December 31, 2020, $75,975 of revenue was excluded from the scope of ASC 606. These revenues were included entirely within the Americas segment within Capital Markets and Other revenue.

Contract balances
The Company had contract assets totaling $66,436 of which $61,101 was current (2019 - $48,934 of which $42,772 was current). During the year ended December 31, 2020, substantially all of the current contract assets were either moved to accounts receivable or sold under the AR Facility (Note 16).

The Company had contract liabilities (all current) totaling $21,076 (2019 - $24,133). Revenue recognized for the year ended December 31, 2020 totaled $22,338 (2019 - $26,568) that was included in the contract liability balance at the beginning of the year.

Certain constrained brokerage fees, outsourcing & advisory fees and investment management fees may arise from services that began in a prior reporting period. Consequently, a portion of the fees the Company recognizes in the current period may be partially related to the services performed in prior periods. Typically, less than 5% of brokerage revenue recognized in a period had previously been constrained and substantially all investment management incentive fees, including carried interest, recognized in the period were previously constrained.

29. Segmented information

Operating segments
Colliers has identified four reportable operating segments. Three segments are grouped geographically into Americas, Asia Pacific and EMEA. The Investment Management segment operates in the Americas and EMEA. The groupings are based on the manner in which the segments are managed. Management assesses each segment's performance based on operating earnings or operating earnings before depreciation and amortization. Corporate includes the costs of global administrative functions and the corporate head office.

Included in segment total assets at December 31, 2020 are investments in non-consolidated subsidiaries accounted for under the equity method: Americas $3,147 (2019 - $3,278), EMEA $1,550 (2019 - $1,427) and Investment Management $7,518 (2019 - $2,161). The reportable segment information excludes intersegment transactions.

2020	**Americas**	**EMEA**	**Asia Pacific**	**Investment Mgmt**	**Corporate**	**Consolidated**
Revenues	**$ 1,626,372**	**$ 516,507**	**$ 470,632**	**$ 172,594**	**$ 752**	**$ 2,786,857**
Depreciation and amortization	56,667	22,391	14,616	27,464	4,768	125,906
Operating earnings (loss)	121,371	8,336	45,221	40,738	(51,088)	164,578
Equity earnings	**1,469**	**75**	**-**	**1,181**	**193**	**2,919**
Other income, net						**(13)**
Interest expense, net						**(30,949)**
Income tax expense						**(42,046)**
Net earnings						**$ 94,489**
Total assets	**$ 1,640,046**	**$ 648,557**	**$ 384,001**	**$ 694,270**	**$ (74,707)**	**$ 3,292,167**
Total additions to long-lived assets	357,187	8,194	4,593	3,669	2,255	375,898

2019	Americas	EMEA	Asia Pacific	Investment Mgmt	Corporate	Consolidated
Revenues	$ 1,690,507	$ 636,466	$ 542,609	$ 174,588	$ 1,641	$ 3,045,811
Depreciation and amortization	34,113	22,489	7,969	26,504	3,589	94,664
Operating earnings (loss)	103,731	48,510	67,062	35,048	(36,154)	218,197
Equity earnings	1,361	35	-	669	-	2,065
Other income, net						(212)
Interest expense, net						(29,452)
Income tax expense						(53,013)
Net earnings						$ 137,585
Total assets	$ 917,997	$ 672,691	$ 388,606	$ 953,567	$ (40,147)	$ 2,892,714
Total additions to long-lived assets	47,132	12,656	79,904	1,829	4,961	146,482

Geographic information
Revenues in each geographic region are reported by customer locations.

GEOGRAPHIC INFORMATION

	Year ended December 31,	
	2020	2019
United States		
Revenues	**$ 1,432,288**	$ 1,429,650
Total long-lived assets	**1,378,648**	1,057,543

Canada				
Revenues	**$**	**304,039**	$	356,634
Total long-lived assets		**82,520**		88,589
Euro currency countries				
Revenues	**$**	**280,853**	$	356,171
Total long-lived assets		**306,472**		293,673
Australia				
Revenues	**$**	**190,106**	$	235,469
Total long-lived assets		**84,758**		84,969
United Kingdom				
Revenues	**$**	**135,572**	$	170,302
Total long-lived assets		**79,738**		85,998
Other				
Revenues	**$**	**443,999**	$	497,585
Total long-lived assets		**184,533**		186,739
Consolidated				
Revenues	**$**	**2,786,857**	$	3,045,811
Total long-lived assets		**2,116,669**		1,797,511

EXHIBIT 3

COLLIERS INTERNATIONAL GROUP INC.
Management's discussion and analysis
For the year ended December 31, 2020
(in US dollars)
February 18, 2021

The following management's discussion and analysis ("MD&A") should be read together with the unaudited consolidated financial statements and the accompanying notes (the "Consolidated Financial Statements") of Colliers International Group Inc. ("we," "us," "our," the "Company" or "Colliers") for the year ended December 31, 2020. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). All financial information herein is presented in United States dollars.

The Company has prepared this MD&A with reference to National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators (the "CSA"). Under the U.S./Canada Multijurisdictional Disclosure System, the Company is permitted to prepare this MD&A in accordance with the disclosure requirements of Canada, which requirements are different from those of the United States. This MD&A provides information for the year ended December 31, 2020 and up to and including February 18, 2021.

Additional information about the Company can be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

This MD&A includes references to "adjusted EBITDA" and "adjusted EPS", which are financial measures that are not calculated in accordance with GAAP. For a reconciliation of these non-GAAP measures to the most directly comparable GAAP financial measures, see "Reconciliation of non-GAAP financial measures".

Consolidated review
Our consolidated revenues for the year ended December 31, 2020 were $2.79 billion, a decrease of 9% versus the prior year (9% in local currency). The decrease was primarily attributable to lower transactional activity due to the impact of the COVID-19 pandemic (see "Impact of COVID-19 pandemic and 2021 outlook" below). Our recurring Outsourcing & Advisory and Investment Management revenue streams were largely resilient. Recent acquisitions positively impacted our Outsourcing & Advisory and Capital Markets revenues. Diluted net earnings per common share were $1.22 relative to $2.57 in the prior year with the decrease primarily attributable to (i) higher amortization expense and contingent consideration expense, both related to recent acquisitions, (ii) higher non-controlling interest with greater proportion of earnings coming from non-wholly owned Investment Management and Outsourcing & Advisory businesses and (iii) an increase in diluted share count related to an offering of 4% Convertible Senior Subordinated Notes due 2025 (the "Convertible Notes") in May 2020. Adjusted earnings per share, which exclude restructuring costs, non-controlling interest redemption increment and amortization of intangible assets (see "Reconciliation of non-GAAP financial measures" below) were $4.18, down 10% from $4.67 in the prior year. Adjusted earnings per share and GAAP net earnings per share for the year ended December 31, 2020 would have been approximately $0.04 lower excluding the impact of changes in foreign exchange rates.

On May 19, 2020, we completed an offering of 4% Convertible Senior Subordinated Notes due 2025 for $223.8 million in net proceeds.

On May 29, 2020, we acquired a controlling interest in four subsidiaries of Dougherty Financial Group LLC – Dougherty Mortgage LLC, Dougherty & Company LLC, Dougherty Funding LLC and Dougherty Insurance Agency LLC. Dougherty's mortgage banking operations have rebranded as "Colliers Mortgage" which provides specialty debt financing through its relationships with US government agencies while all brokerage, investment banking, capital markets and public finance services are carried on through newly branded "Colliers Securities" which is licensed under the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority ("FINRA").

On July 13, 2020, we acquired a controlling interest in Maser Consulting P.A. ("Maser"), a leading multi-disciplinary engineering design and consulting firm in the U.S. This operation will be rebranded as "Colliers Engineering & Design Services" in the first half of 2021.

In 2020, we also completed the acquisitions of our Colliers International affiliates in Austin, Texas and Nashville, Tennessee.

In the second quarter of 2020, the Company renamed its Sales Brokerage service line to Capital Markets, which includes sales brokerage, mortgage origination and mortgage investment banking revenues. In addition, the Company added mortgage loan servicing under its Outsourcing & Advisory revenues. With the closing of the Maser Consulting acquisition in July 2020, the Company added engineering and design services to its Outsourcing & Advisory service line.

For both the three month and twelve month ended December 31, 2020 periods, local currency revenue declines were primarily attributable to reduced transactional Leasing activity due to the pandemic.

(in thousands of US$)	Three months ended December 31		Change	Change	Twelve months ended December 31		Change	Change
(LC = local currency)	**2020**	2019	in US$ %	in LC%	**2020**	2019	in US$ %	in LC%
Outsourcing & Advisory	**$377,191**	331,152	14%	12%	**$1,226,877**	1,148,915	7%	7%
Investment Management	**43,676**	44,722	-2%	-3%	**172,594**	174,588	-1%	-1%

Leasing	**215,516**	292,489	-26%	-29%	**686,482**	946,399	-27%	-28%
Capital Markets	**277,333**	259,925	7%	4%	**700,904**	775,909	-10%	-10%
Total revenues	**$913,716**	928,288	-2%	-4%	**$2,786,857**	3,045,811	-9%	-9%

Results of operations – year ended December 31, 2020

For the year ended December 31, 2020, revenues were $2.79 billion, 9% lower compared to the 2019 (9% in local currency). Acquisitions contributed 7% to local currency revenue growth while internally generated revenues were down 16% with the impact of the COVID-19 pandemic beginning in March 2020.

Operating earnings were $164.6 million in 2020 versus $218.2 million in 2019. The operating earnings margin was 5.9% versus 7.2% in the prior year. The decline in operating earnings margin is attributable to lower transactional revenues and fair value adjustments related to contingent considerations, partially offset by (i) the impact of higher-margin acquisitions of Colliers Mortgage and Maser as well as (ii) cost savings implemented to adjust costs to expected revenues in light of the pandemic. Adjusted EBITDA (see "Reconciliation of non-GAAP financial measures" below) was $361.4 million, up 1% versus $359.5 million in the prior year. Adjusted EBITDA margin increased by 120 basis points to 13.0% as compared to 11.8% in 2019.

Depreciation expense was $39.3 million relative to $33.4 million in 2019, with the increase attributable to the impact of recent acquisitions and increased investments in office leaseholds.

Amortization expense was $86.6 million relative to $61.3 million in 2019, with the increase attributable mainly to intangible assets recognized in connection with recent business acquisitions, including those of Colliers Mortgage and Maser.

Net interest expense was $30.9 million, up from $29.5 million in the prior year and included the incremental interest from our Convertible Notes offering in May 2020. The average interest rate on our debt during the period was 3.0%, versus 3.8% in the prior year with the decline attributable to a decline in floating reference rates.

Consolidated income tax expense was $42.0 million relative to $53.0 million in 2019, reflecting effective tax rates of 31% and 28%, respectively. The tax rate in 2020 was impacted by (i) the reversal of a $2.0 million tax benefit recorded in 2019 due to a change in tax law applied retroactively and (ii) a change in valuation allowance of $5.2 million related to certain operations.

Net earnings were $94.5 million, compared to $137.6 million in the prior year.

Revenues in the Americas region totalled $1.63 billion for the full year compared to $1.69 billion in the prior year, down 4% (3% in local currency). The decline was primarily attributable to lower Leasing activity due to the pandemic, which was partly offset by contributions from recent acquisitions. Internally generated Outsourcing & Advisory revenues were flat versus prior year. Adjusted EBITDA was $180.4 million, up 19% from $151.3 million in the prior year and included the impact of (i) recent acquisitions of Colliers Mortgage and Colliers Engineering & Design and (ii) measures implemented to manage operating costs as a result of the pandemic. GAAP operating earnings were $121.4 million, versus $103.7 million in 2019.

EMEA region revenues totalled $516.5 million for the year compared to $636.5 million in the prior year, down 19% (20% in local currency) on lower activity attributable to the pandemic across all service lines. Foreign exchange tailwinds positively impacted revenue growth by 1%. Adjusted EBITDA was $45.9 million, versus $80.3 million in the prior year. GAAP operating earnings were $8.3 million as compared to $48.5 million in 2019.

Asia Pacific region revenues totalled $470.6 million for the year compared to $542.6 million in the prior year, down 13% (15% in local currency) primarily on lower Leasing and Capital Markets activity due to the pandemic, partially offset by a small increase in Outsourcing & Advisory revenues. Foreign exchange tailwinds positively impacted revenue growth by 2%. Adjusted EBITDA was $66.3 million, versus $76.2 million in the prior year. GAAP operating earnings were $45.2 million, versus $67.1 million in the prior year.

Investment Management revenues were $172.6 million compared to $174.6 million in the prior year, down 1% (1% in local currency). Pass-through revenue from historical carried interest represented $4.2 million in the current year versus $19.2 million in the prior year. Excluding the impact of pass-through revenue, revenues were up 8% (8% in local currency) and were positively impacted by strong fundraising in closed end funds and growth in open-end funds. Adjusted EBITDA was $69.5 million relative to $61.9 million in the prior year. GAAP operating earnings were $40.7 million, versus $35.0 million in 2019. Assets under management were $39.5 billion at December 31, 2020, up 9% from $36.2 billion at September 30, 2020 and up 20% from $32.9 billion at December 31, 2019.

Unallocated global corporate costs as reported in Adjusted EBITDA were $0.7 million in 2020, relative to $10.3 million in the prior year with the change attributable to lower compensation and variable expenses. The corporate GAAP operating loss was $51.1 million, relative to $36.2 million in 2019 attributable to an increase in the fair value of contingent acquisition consideration based on strong operating performance of recently acquired businesses.

Selected annual information - last five years
(in thousands of US$, except share and per share amounts)

	Year ended December 31				
	2020	**2019**	**2018**	**2017**	**2016**
Operations					
Revenues	$ 2,786,857	$ 3,045,811	$ 2,825,427	$ 2,435,200	$ 1,896,724
Operating earnings	164,578	218,197	201,398	167,376	146,173
Net earnings	94,489	137,585	128,574	94,074	91,571
Financial position					
Total assets	$ 3,292,167	$ 2,892,714	$ 2,357,580	$ 1,507,560	$ 1,194,779
Long-term debt	479,895	611,404	672,123	249,893	262,498
Convertible Notes	223,957	-	-	-	-
Redeemable non-controlling interests	442,375	359,150	343,361	145,489	134,803
Shareholders' equity	586,109	517,299	391,973	303,014	212,513
Common share data					
Net earnings (loss) per common share:					
Basic					
	1.23	2.60	2.49	1.32	1.76
Diluted					
	1.22	2.57	2.45	1.31	1.75
Weighted average common shares outstanding (thousands)					
Basic	39,986	39,550	39,155	38,830	38,596
Diluted	40,179	39,981	39,795	39,308	38,868
Cash dividends per common share	$ 0.10	$ 0.10	$ 0.10	$ 0.10	$ 0.09
Other data					
Adjusted EBITDA	$ 361,442	$ 359,476	$ 311,435	$ 242,823	$ 203,062
Adjusted EPS	4.18	4.67	4.09	3.16	2.44

New revenue guidance was adopted retrospectively effective January 1, 2018 and accordingly, comparative information for the year ended December 31, 2017 and as at December 31, 2017 has been restated. Data for 2016 and prior periods in the table above has not been restated.

Results of operations – fourth quarter ended December 31, 2020
Consolidated revenues for the fourth quarter declined 4% on a local currency basis to $913.7 million, driven by pandemic-related declines primarily in Leasing activity. Consolidated internal revenues measured in local currencies were down 15%, while acquisitions contributed 11% to revenue growth. Operating earnings for the fourth quarter ended December 31, 2020 were $79.4 million, down 20% and adjusted EBITDA was $154.9 million, up 7%.

Summary of quarterly results (unaudited)
The following table sets forth our unaudited quarterly consolidated results of operations data. The information in the table below has been derived from unaudited interim consolidated financial statements that, in management's opinion, have been prepared on a consistent basis and include all adjustments necessary for a fair presentation of information. The information below is not necessarily indicative of results for any further quarter.

Summary of quarterly results - years ended December 31, 2020, 2019 and 2018
(in thousands of US$, except per share amounts)

	Q1	**Q2**	**Q3**	**Q4**
Year ended December 31, 2020				
Revenues	$ 630,628	$ 550,206	$ 692,307	913,716
Operating earnings	18,537	14,523	52,074	79,443
Net earnings	6,458	6,483	31,979	49,568
Basic net earnings per common share	0.12	(0.26)	0.53	0.84
Diluted net earnings per common share	0.11	(0.26)	0.52	0.80
Year ended December 31, 2019				
Revenues	$ 635,123	$ 745,517	$ 736,883	$ 928,288
Operating earnings	13,397	57,198	48,175	99,428
Net earnings	5,463	35,575	28,672	67,877

Basic net earnings per common share	0.04	0.60	0.75	1.21
Diluted net earnings per common share	0.04	0.60	0.74	1.20
Year ended December 31, 2018				
Revenues	$ 552,473	$ 667,350	$ 715,721	$ 889,883
Operating earnings	15,745	45,569	41,956	98,128
Net earnings	8,541	28,804	25,382	65,847
Basic net earnings per common share	0.13	0.61	0.41	1.34
Diluted net earnings per common share	0.13	0.60	0.41	1.33
Other data				
Adjusted EBITDA - 2020	$ 54,454	$ 59,962	$ 92,120	154,906
Adjusted EBITDA - 2019	43,571	87,323	84,262	$ 144,320
Adjusted EBITDA - 2018	36,140	69,427	72,665	133,203
Adjusted EPS - 2020	0.54	0.70	1.08	1.79
Adjusted EPS - 2019	0.51	1.10	1.04	2.01
Adjusted EPS - 2018	0.45	0.95	0.92	1.77

Impact of COVID-19 pandemic and 2021 outlook

The COVID-19 pandemic resulted in a sharp reduction in Leasing and Capital Markets transaction activity beginning in March 2020 as governments around the world implemented lockdowns and other measures to contain the virus. The impact of the pandemic is expected to subside over the course of 2021, although the timing and extent remain uncertain. Transactional revenues are anticipated to rebound in the second half of the year, while Outsourcing & Advisory and Investment Management revenues are expected to remain resilient throughout the year. The outlook for the full year 2021 (relative to 2020), including the full year impact of acquisitions completed during 2020, is as follows:

	Full Year 2021 Outlook
Revenue	+10% to +25%
Adjusted EBITDA	+10% to +25%

This outlook is based on the Company's best available information as of the date of this MD&A and remains subject to change based on numerous macroeconomic, health, social, geo-political and related factors (see "Risks associated with COVID-19 pandemic" below).

During 2020, the Company took significant measures to maintain business continuity across all service lines, including steps to optimize the level of all critical functions across our business. Expenses incurred in connection with these adjustments are recorded as restructuring costs and were primarily severance related. The Company may take further cost management measures in future quarters.

The Company also received wage subsidies totalling $10.9 million during the fourth quarter ($34.8 million for the full year) from governments in several countries. These subsidies were recorded in earnings as an offset to employment costs. The Company may receive further government wage subsidies in future quarters.

As of December 31, 2020, the Company's financial leverage ratio expressed in terms of net debt to pro forma Adjusted EBITDA was 1.0x (1.4x as of December 31, 2019), relative to a maximum of 3.5x permitted under its debt agreements. As of the same date, the Company had $777 million of unused credit under its committed revolving credit facility maturing in April 2024.

As a result of the changes in the current economic environment related to the pandemic, management has performed asset impairment testing across the Company's reporting units. Management has concluded that no impairment loss is required to be recognized for the 2020 financial year. The testing considered a range of scenarios, but is subject to significant estimation uncertainty given the factors noted above. If there are future adverse developments, impairment losses may be required to be recognized.

Seasonality and quarterly fluctuations

The Company generates peak revenues and earnings in the month of December followed by a low in January and February as a result of the timing of closings on Capital Markets transactions. Revenues and earnings during the balance of the year are relatively even. Historically, Capital Markets operations comprised approximately 25% of consolidated annual revenues. Variations can also be caused by business acquisitions which alter the consolidated service mix.

Liquidity and capital resources

The Company generated cash flow from operating activities of $166.5 million for the year ended December 31, 2020, relative to $310.8 million in the prior year. Adjusting for the cash proceeds generated from the AR Facility as well as collections of the deferred purchase price related to AR Facility, net cash flow from operating activities in 2020 was $245.9 million relative to $213.9 million. The increase in cash flow is primarily attributable to a reduction of working capital in the business, primarily related to lower accounts receivable and lower accrued compensation. We believe that cash from operations and other existing resources, including our $1.0 billion multi-currency revolving credit facility (the "Revolving Credit Facility"), will continue to be adequate to satisfy the ongoing working capital needs of the Company.

For the year ended December 31, 2020, capital expenditures were $40.4 million (2019 - $44.2 million). Capital expenditures for the year ending December 31, 2021 are expected to be $65-$75 million with the increase primarily attributable to investments in office space in major markets, some deferred investments from 2020 and are expected to be funded with cash on hand.

We distributed $35.7 million (2019 - $31.9 million) to non-controlling shareholders of subsidiaries, in part to facilitate the payment of income taxes on account of those subsidiaries organized as flow-through entities. The increase in distributions is largely attributable to the acquisition of Harrison Street completed in July 2018.

During 2020, we invested cash in acquisitions as follows: an aggregate of $205.6 million (net of cash acquired) in four new business acquisitions, $11.2 million in contingent consideration payments related to previously completed acquisitions, and $26.0 million in net acquisitions of redeemable non-controlling interests.

Net indebtedness as at December 31, 2020 was $323.3 million, versus $496.4 million at December 31, 2019, which excludes the Convertible Notes. Including the Convertible Notes, our net indebtedness as at December 31, 2020 would have been $547.2 million. Net indebtedness is calculated as the current and non-current portion of long-term debt less cash and cash equivalents. We are in compliance with the covenants contained in our agreements relating to our debt agreements as at December 31, 2020 and, based on our outlook for 2021, we expect to remain in compliance with these covenants.

Colliers Mortgage utilizes warehouse credit facilities for the purpose of funding warehouse receivables. 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. The warehouse credit facilities are excluded from the financial leverage calculations under our debt agreements.

During 2019 and 2020, the Company acquired certain real estate assets in connection with the establishment of new Investment Management funds. The real estate assets, as well as corresponding liabilities, were transferred to the respective funds during 2020, without gain or loss, with no such assets or liabilities on the consolidated balance sheet as of December 31, 2020.

On April 27, 2020, we renewed and extended our structured accounts receivable facility (the “AR Facility”) with a third-party financial institution. The AR Facility has committed availability of $125,000 with a term of 364 days extending to April 26, 2021 and includes selected US and Canadian trade accounts receivable (the “Receivables”).

During 2020, we amended our Revolving Credit Facility to make certain amendments to increase the flexibility of our debt capital structure.

During 2020, we amended our Euro-denominated 2.23% senior unsecured notes due 2028 (the “Senior Notes”) to make certain amendments to increase the flexibility of our debt capital structure. These amendments were similar to the amendments made to our Revolving Credit Facility, which ranks equal in seniority to the Senior Notes.

On May 19, 2020, we completed an offering of 4% Convertible Senior Subordinated Notes due 2025 for $223.8 million in net proceeds. The Convertible Notes are unsecured and subordinated to all of the existing and future senior and/or secured indebtedness, and are treated as equity for financial leverage calculations under our existing debt agreements. The Convertible Notes are convertible into 3.97 million subordinate voting shares or, if not converted, may be settled at maturity with subordinate voting shares or cash at the option of the Company.

The Company’s Board of Directors declared two semi-annual dividends of $0.05 per common share (being the Subordinate Voting Shares together with the Multiple Voting Shares) during 2020, unchanged from the prior year amounts per share. These dividends are paid in cash after the end of the second and fourth quarters to shareholders of record on the last business day of the quarter. The Company’s policy is to pay dividends on its common shares in the future, subject to the discretion of our Board of Directors. Total common share dividends paid by the Company during 2020 were $4.0 million.

In relation to acquisitions completed during the past three years, we have outstanding contingent consideration, assuming all contingencies are satisfied and payment is due in full, totalling $208.6 million as at December 31, 2020 (December 31, 2019 - $187.5 million). The contingent consideration liability is recognized at fair value upon acquisition and is updated to fair value each quarter, unless it contains an element of compensation, in which case such element is treated as compensation expense over the contingency period. The fair value of contingent consideration recorded on the consolidated balance sheet as at December 31, 2020 was $115.6 million (December 31, 2019 - $85.0 million). The liability recorded on the consolidated balance sheet for the compensatory element of contingent consideration arrangements as at December 31, 2020 was $17.6 million (December 31, 2019 - $23.0 million). The contingent consideration is based on achieving specified earnings levels and is paid or payable after the end of the contingency period, which extends to December 2024. We estimate that approximately 85% of the contingent consideration outstanding as of December 31, 2020 will ultimately be paid.

The following table summarizes our contractual obligations as at December 31, 2020:

Contractual obligations (in thousands of US$)	**Payments due by period**				
	Total	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Long-term debt	$ 477,465	$ 7,910	$ 526	$ 213,239	$ 255,790
Warehouse credit facilities	218,018	218,018			
Convertible Notes	223,957	-	-	223,957	
Interest on long-term debt and Convertible Notes	102,663	21,224	41,965	26,164	13,310
Finance lease obligations	2,430	1,114	1,307	9	-

Contingent acquisition consideration	115,642	5,802	107,403	2,327	110
Operating leases obligations	511,625	97,081	154,616	102,798	157,130
Purchase commitments	33,312	18,076	7,252	3,080	4,904
Co-investment Commitments	14,345	14,345	-	-	-
Total contractual obligations	$ 1,699,457	$ 383,570	$ 313,069	$ 571,574	$ 431,244

At December 31, 2020, we had commercial commitments totaling $15.7 million comprised of letters of credit outstanding due to expire within one year.

In order to effectively manage our corporate risk and support our global insurance program, we supplement our commercial insurance placements with the use of a wholly-owned captive insurance company to provide support for our professional indemnity, general liability and US workers' compensation programs. The level of risk retained by our captive insurance company varies by coverage. Currently, the captive insures up to $0.75 million per claim with respect to professional indemnity and $2.0 million with respect general liability. All limits are inclusive of commercial market self-insured retentions. Liability insurance claims can be complex and take a number of years to resolve. Within our captive insurance company, we estimate the ultimate cost of these claims by way of specific claim accruals developed through periodic reviews of the circumstances of individual claims, validated annually by a third-party actuary. As of December 31, 2020, the captive insurance company has reserves for unpaid claim liabilities of $7.6 million.

Redeemable non-controlling interests
In most operations where managers or employees are also non-controlling owners, the Company is party to shareholders' agreements. These agreements allow us to "call" the redeemable non-controlling interests ("RNCI") at a value determined with the use of a formula price, which is in most cases equal to a multiple of trailing two-year average earnings, less debt. Non-controlling owners may also "put" their interest to the Company at the same price, with certain limitations including (i) the inability to "put" more than 50% of their holdings in any twelve-month period and (ii) the inability to "put" any holdings for at least one year after the date of our initial acquisition of the business or the date the non-controlling shareholder acquired their interest, as the case may be.

The total value of the RNCI (the "redemption amount"), as calculated in accordance with shareholders' agreements, was $415.1 million as of December 31, 2020 (December 31, 2019 - $333.1 million). The amount recorded on our balance sheet under the caption "redeemable non-controlling interests" is the greater of (i) the redemption amount (as above) or (ii) the amount initially recorded as RNCI at the date of inception of the minority equity position. As at December 31, 2020, the RNCI recorded on the balance sheet was $442.4 million (December 31, 2019 - $359.2 million). The purchase prices of the RNCI may be paid in cash or in Subordinate Voting Shares of Colliers. If all RNCI were redeemed in cash, the pro forma estimated accretion to diluted net earnings per share for 2020 would be $0.81, and the accretion to adjusted EPS would be $0.39.

Critical accounting estimates
Critical accounting estimates are those that we deem to be most important to the portrayal of our financial condition and results of operations, and that require management's most difficult, subjective or complex judgments due to the need to make estimates about the effects of matters that are inherently uncertain. We have identified seven critical accounting estimates, which are discussed below.

1. *Revenue recognition.* We earn revenues from brokerage transaction commissions, advisory fees, debt finance fees, property management fees, project management fees, engineering and design fees and investment management fees. Some of the contractual terms related to the process of earning revenue from these sources, including potentially contingent events, can be complex and may require us to make judgments about the timing of when we should recognize revenue and whether revenue should be reported on a gross basis or net basis. Changes in judgments could result in a change in the period in which revenues are reported, or in the amounts of revenue and cost of revenue reported.

2. *Goodwill.* Goodwill impairment testing involves assessing whether events have occurred that would indicate potential impairment and making estimates concerning the fair values of reporting units and then comparing the fair value to the carrying amount of each unit. The determination of what constitutes a reporting unit requires significant management judgment. We have four reporting units, consistent with our four operating segments. Goodwill is attributed to the reporting units at the time of acquisition. Estimates of fair value can be impacted by changes in the business environment, prolonged economic downturns or declines in the market value of the Company's own shares and therefore require significant management judgment in their determination. When events have occurred that which would suggest a potential decrease in fair value, the determination of fair value is done with reference to a discounted cash flow model which requires management to make certain estimates. The most sensitive estimates are estimated future cash flows and the discount rate applied to future cash flows. Changes in these assumptions could result in a materially different fair value.

3. *Business combinations.* The determination of fair values of assets acquired and liabilities assumed in business combinations requires the use of estimates and management judgment, particularly in determining fair values of intangible assets acquired. For example, if different assumptions were used regarding the profitability and expected attrition rates of acquired customer relationships or asset management contracts, different amounts of intangible assets and related amortization could be reported.

4. *Contingent acquisition consideration.* Contingent consideration is required to be measured at fair value at the acquisition date and at each balance sheet date until the contingency expires or is settled. The fair value at the acquisition date is a component of the purchase price; subsequent changes in fair value are reflected in earnings. Most acquisitions made by us have a contingent consideration feature, which is usually based on the acquired entity's profitability (measured in terms of adjusted EBITDA) during a one to five year period after the acquisition date. Significant estimates are required to measure the fair value of contingent consideration, including forecasting profits for the contingency period and the selection of an appropriate discount rate.

5. *Deferred income tax assets.* Deferred income tax assets arise primarily from the recognition of the benefit of certain net operating loss carry-forwards. We must weigh the positive and negative evidence surrounding the future realization of the deferred income tax assets to determine whether a valuation allowance is required, or whether an existing valuation allowance should remain in place. These determinations, which involve projections of future taxable income, require significant management judgment. Changes in judgments, in particular of future taxable earnings, could result in the recognition or de-recognition of a valuation allowance which could impact income tax expense materially.

6. *Uncertain tax positions.* In the ordinary course of business, there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination by tax authorities based upon an evaluation of the facts and circumstances at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a tax authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements.

7. *Allowance for uncollectible accounts receivable.* Accounts receivable allowances are determined using a combination of historical experience, current information, and management judgment. Actual collections may differ from our estimates. A 10% increase in the accounts receivable allowance as of December 31, 2020 would increase bad debt expense by $2.6 million.

Reconciliation of non-GAAP financial measures

In this MD&A, we make reference to "adjusted EBITDA" and "adjusted EPS," which are financial measures that are not calculated in accordance with GAAP.

Adjusted EBITDA is defined as net earnings, adjusted to exclude: (i) income tax; (ii) other expense (income) other than equity earnings from non-consolidated investments; (iii) interest expense; (iv) depreciation and amortization, including amortization of mortgage servicing rights ("MSRs"); (v) gains attributable to MSRs; (vi) acquisition-related items (including transaction costs, contingent acquisition consideration fair value adjustments and contingent acquisition consideration-related compensation expense); (vii) restructuring costs and (viii) 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.

(in thousands of US$)	Three months ended December 31		Twelve months ended December 31	
	2020	2019	**2020**	2019
Net earnings	**$ 49,568**	$ 67,877	**$ 94,489**	$ 137,585
Income tax	**22,980**	25,742	**42,046**	53,013
Other income, net	**(1,427)**	(868)	**(2,906)**	(1,853)
Interest expense, net	**8,322**	6,677	**30,949**	29,452
Operating earnings	**79,443**	99,428	**164,578**	218,197
Depreciation and amortization	**38,795**	25,382	**125,906**	94,664
Gains attributable to MSRs	**(9,668)**	-	**(17,065)**	-
Equity earnings from non-consolidated investments	**1,468**	-	**2,919**	-
Acquisition-related items	**34,349**	9,767	**45,848**	28,532
Restructuring costs	**6,947**	7,110	**29,628**	10,252
Stock-based compensation expense	**3,572**	2,633	**9,628**	7,831
Adjusted EBITDA	**$ 154,906**	$ 144,320	**$ 361,442**	$ 359,476

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) amortization expense related to intangible assets recognized in connection with acquisitions and MSRs; (iii) gains attributable to MSRs; (iv) acquisition-related items; (v) restructuring costs and (vi) 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. For the year ended December 31, 2020, the "if-converted" method is anti-dilutive for the GAAP diluted EPS calculation but dilutive for the adjusted EPS calculation

(in thousands of US$)	Three months ended December 31		Twelve months ended December 31	
	2020	2019	**2020**	2019
Net earnings	**$ 49,568**	$ 67,877	**$ 94,489**	$ 137,585
Non-controlling interest share of earnings	**(15,666)**	(12,930)	**(29,572)**	(26,829)
Interest on Convertible Notes	**2,300**	-	**5,673**	-
Amortization of intangible assets	**27,544**	16,437	**86,557**	61,273
Gains attributable to MSRs	**(9,668)**	-	**(17,065)**	-
Acquisition-related items	**34,349**	9,767	**45,848**	28,532
Restructuring costs	**6,947**	7,110	**29,628**	10,252
Stock-based compensation expense	**3,572**	2,633	**9,628**	7,831
Income tax on adjustments	**(15,115)**	(7,493)	**(35,350)**	(22,232)
Non-controlling interest on adjustments	**(4,257)**	(2,769)	**(11,479)**	(9,868)
Adjusted net earnings	**$ 79,574**	$ 80,632	**$ 178,357**	$ 186,544

(in US$)	Three months ended December 31		Twelve months ended December 31	
	2020	2019	**2020**	2019
Diluted net earnings per common share	**$ 0.80**	$ 1.20	**$ 1.25**	$ 2.57
Non-controlling interest redemption increment	**0.01**	0.17	**0.37**	0.20
Amortization expense, net of tax	**0.35**	0.25	**1.23**	0.93
Gains attributable to MSRs, net of tax	**(0.09)**	-	**(0.22)**	-
Acquisition-related items	**0.53**	0.19	**0.82**	0.58
Restructuring costs, net of tax	**0.12**	0.13	**0.51**	0.19
Stock-based compensation expense, net of tax	**0.07**	0.07	**0.22**	0.20
Adjusted EPS	**$ 1.79**	$ 2.01	**$ 4.18**	$ 4.67
Diluted weighted average shares for Adjusted EPS (thousands)	44,365	40,109	42,647	39,980

We believe that the presentation of adjusted EBITDA and adjusted earnings per share, which are non-GAAP financial measures, provides important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations. We use these non-GAAP financial measures when evaluating operating performance because we believe that the inclusion or exclusion of the items described above, for which the amounts are non-cash or non-recurring in nature, provides a supplemental measure of our operating results that facilitates comparability of our operating performance from period to period, against our business model objectives, and against other companies in our industry. We have chosen to provide this information to investors so they can analyze our operating results in the same way that management does and use this information in their assessment of our core business and the valuation of the Company. Adjusted EBITDA and adjusted earnings per share are not calculated in accordance with GAAP, and should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Non-GAAP financial measures have limitations in that they do not reflect all of the costs or benefits associated with the operations of our business as determined in accordance with GAAP. As a result, investors should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP.

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.

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 properties 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.

Impact of recently adopted accounting standards

Current Expected Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses*. This ASU creates a new framework to evaluate financial instruments, such as trade receivables, for expected credit losses. This new framework replaces the previous incurred loss approach

and is expected to result in more timely recognition of credit losses.

The Company has adopted *Financial Instruments – Credit Losses (Topic 326)* : Measurement of Credit Losses on Financial Instruments effective January 1, 2020 using the modified retrospective basis recording a cumulative catch-up adjustment to retained earnings. Following adoption of the standard, the Company's methodology of reserving for Accounts receivable and other receivable-related financial assets, including contract assets has changed. See note 2 for details on the significant accounting policies related to receivables and allowance for doubtful accounts. The adoption of the standard has had the impact of accelerating the recognition of credit losses on certain receivables and the Company recognized a non-cash cumulative catch-up adjustment to retained earnings in the amount of $3.6 million, net of $0.8 million in taxes, on the opening consolidated balance sheet as of January 1, 2020.

Goodwill impairment testing

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles – Goodwill and Other*: Simplifying the Accounting for Goodwill Impairment to remove Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. Under this guidance, a goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The Company has adopted the standard effective January 1, 2020. Adoption of the ASU simplifies the goodwill impairment testing process for the Company without any direct impact on the financial statements.

Capitalization of implementation costs in relation to hosting arrangements

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40)* . This ASU aligns the capitalizing of implementation costs incurred in relation to a hosting arrangement with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. It also requires these capitalized costs to be expensed over the term of the hosting arrangement and to the same line as the hosting arrangement. As this ASU clarifies the previously existing ambiguity related to capitalization, it was determined that the guidance under the ASU is consistent with the Company's existing capitalization process for development costs as relate to hosting arrangements without any impact on the financial statements.

Recently issued accounting guidance, not yet adopted

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. With LIBOR ceasing at the end of 2021, a significant volume of contracts and other arrangements will be impacted by the transition required to alternative reference rates. This ASU provides optional expedients and exceptions to reduce the costs and complexity of applying existing GAAP to contract modifications and hedge accounting if certain criteria are met. The standard is effective from the beginning of an interim period that includes the March 12, 2020 issuance date of the ASU through December 31, 2022. On March 25, 2020, the Alternative Reference Rates Committee (the "ARRC"), which is a group of private-market participants convened by the Federal Reserve Board and the New York Fed, reiterated the end of 2021 timeline for the phase out of LIBOR amid the uncertainty surrounding the COVID-19 pandemic. The Company is currently assessing the options available under this ASU and their potential impacts on its consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt- Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contract in an Entity's Own Equity.* The ASU simplifies the accounting for convertible instruments and reduces the number of embedded conversion features being separately recognized from the host contract as compared to current GAAP. The ASU also enhances information transparency through targeted improvements to the disclosures for convertible instruments and earnings-per-share guidance. The standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. The standard can be applied using the modified retrospective method of transition or a fully retrospective method of transition. The Company is currently assessing the options available under this ASU and their potential impacts on its consolidated financial statements.

Impact of IFRS

On January 1, 2011, many Canadian companies were required to adopt IFRS. In 2004, in accordance with the rules of the CSA, Old FSV elected to report exclusively using US GAAP and further elected not to adopt IFRS on January 1, 2011. Under the rules of the CSA, the Company is permitted to continue preparing financial statements in accordance with US GAAP going forward.

Financial instruments

We use financial instruments as part of our strategy to manage the risk associated with interest rates and currency exchange rates. We do not use financial instruments for trading or speculative purposes. On April 11, 2017 we entered into interest rate swap agreements to convert the LIBOR floating interest rate on $100.0 million of US dollar denominated debt into a fixed interest rate of 1.897%. In December 2018, the Company entered into interest rate swap agreements to convert the LIBOR floating interest rate on $100.0 million of US dollar denominated debt into a fixed interest rate of 2.7205% plus the applicable margin. Hedge accounting is being applied to these interest rate swaps. Financial instruments involve risks, such as the risk that counterparties may fail to honor their obligations under these arrangements. If we have financial instruments outstanding and such events occur, our results of operations and financial position may be adversely affected.

Off-balance sheet arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial performance or financial condition other than (i) the payments which may be required to be made under the long term arrangement contained in the restated management services agreement with Colliers, Jayset Management CIG Inc. and Jay S. Hennick, (see Note 19 to the Consolidated Financial Statements for a full description) and (ii) the AR Facility. As of December 31, 2020, the Company had drawn $115.9 million under the AR Facility. The AR Facility is recorded as a sale of accounts receivable, and accordingly sold Receivables are derecognized from the consolidated balance sheet. The AR Facility results in a significant decrease to our borrowing costs.

Transactions with related parties

As at December 31, 2020, the Company had $3.4 million of loans receivable from non-controlling shareholders (December 31, 2019 - $3.4 million). The majority of the loans receivable represent amounts assumed in connection with acquisitions and amounts issued to non-controlling

interests to finance the sale of non-controlling interests in subsidiaries to senior managers. The loans are of varying principal amounts and interest rates which range from nil to 4.0%. These loans are due on demand or mature on various dates up to 2026, but are open for repayment without penalty at any time.

Outstanding share data
The authorized capital of the Company consists of an unlimited number of preference shares, issuable in series, an unlimited number of Subordinate Voting Shares and an unlimited number of Multiple Voting Shares. The holders of Subordinate Voting Shares are entitled to one vote in respect of each Subordinate Voting Share held at all meetings of the shareholders of the Company. The holders of Multiple Voting Shares are entitled to twenty votes in respect of each Multiple Voting Share held at all meetings of the shareholders of the Company. Each Multiple Voting Share is convertible into one Subordinate Voting Share at any time at the election of the holders thereof.

As of the date hereof, the Company has outstanding 38,863,742 Subordinate Voting Shares and 1,325,694 Multiple Voting Shares. In addition, as at the date hereof 2,190,125 Subordinate Voting Shares are issuable upon exercise of options granted under the Company's stock option plan.

On July 16, 2020, the Company announced a Normal Course Issuer Bid ("NCIB") effective from July 20, 2020 to July 19, 2021. The Company is entitled to repurchase up to 3,000,000 Subordinate Voting Shares on the open market pursuant to the NCIB. Any shares purchased under the NCIB will be cancelled.

Canadian tax treatment of common share dividends
For the purposes of the enhanced dividend tax credit rules contained in the *Income Tax Act (Canada)* and any corresponding provincial and territorial tax legislation, all dividends (and deemed dividends) paid by us to Canadian residents on our Subordinate Voting Shares and Multiple Voting Shares are designated as "eligible dividends". Unless stated otherwise, all dividends (and deemed dividends) paid by us hereafter are designated as "eligible dividends" for the purposes of such rules.

Disclosure controls and procedures
Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted by us under U.S. and Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules, and include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted by us under U.S. and Canadian securities legislation is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to permit timely decisions regarding required disclosure. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in the rules of the U.S. Securities and Exchange Commission and the Canadian Securities Administrators, as at December 31, 2020. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as at December 31, 2020.

Changes in internal control over financial reporting
Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well-designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, management has concluded that as at December 31, 2020, our internal control over financial reporting was effective.

During the year ended December 31, 2020, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Legal proceedings
Colliers is involved in various legal claims associated with the normal course of operations and believes it has made adequate provision for such legal claims.

Spin-off risk
On June 1, 2015, the predecessor to our Company, FirstService Corporation ("Old FSV"), completed a plan of arrangement (the "Spin-off") which separated Old FSV into two independent publicly traded companies – Colliers International Group Inc., a global leader in commercial real estate services and new FirstService Corporation ("FirstService"), a North American leader in residential property management and related services. Under the Spinoff, Old FSV shareholders received one Colliers share and one FirstService share of the same class as each Old FSV share previously held.

Although the Spin-off is complete, the transaction exposes Colliers to certain ongoing risks. The Spin-off was structured to comply with all the requirements of the public company "*butterfly rules*" in the *Income Tax Act* (Canada). However, there are certain requirements of these rules that depend on events occurring after the Spin-off is completed or that may not be within the control of Colliers and/or FirstService. If these requirements are not met, Colliers could be exposed to significant tax liabilities which could have a material effect on the financial position of Colliers. In addition, Colliers has agreed to indemnify FirstService for certain liabilities and obligations related to its business at the time of the Spin-off. These indemnification obligations could be significant. These risks are more fully described in the Management Information Circular of Old FSV dated March 16, 2015, which is available under Colliers' SEDAR profile at www.sedar.com and on EDGAR at www.sec.gov.

Risks associated with COVID-19 pandemic
We are closely monitoring the impact of the COVID-19 pandemic on all aspects of our business, including how it will impact our clients, employees, and services. We expect that we will continue to be adversely impacted on a global basis in future periods, and we are unable to predict the ultimate impact that it may have on our business, future results of operations, financial position or cash flows. The extent to which our operations may be impacted by the pandemic will depend largely on future developments, which are uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the outbreak and actions by government authorities to contain the pandemic or treat its impact. Furthermore, the impacts of a potential worsening of global macroeconomic conditions and the continued disruptions to and volatility in the financial markets remain unknown.

Operating during the global pandemic exposes the Company to multiple risks which, individually or in the aggregate, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows, including following:

- a reduction in commercial real estate transactions and decreases in expenditure at our clients and therefore a reduction in the demand for the services the Company provides;
- a decrease in property values and vacancy rates, which could negatively impact Leasing and Capital Markets commissions;
- liquidity challenges, including impacts related to delayed customer payments and payment defaults associated with customer liquidity issues and bankruptcies;
- inability to access capital or financing at favorable terms due to possible adverse effect on our liquidity and financial position; and
- the occurrence of asset impairment losses.

Further, many of the risks discussed in the "Risk Factors" section of the Company's Annual Information Form are, and could be, exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result. Given the dynamic nature of these events, the Company cannot reasonably estimate the period of time that the COVID-19 pandemic and related market conditions will persist, the full extent of the impact they will have on our business, financial condition, results of operations or cash flows or the pace or extent of any subsequent recovery. Even after the pandemic and related containment measures subside, we may continue to experience adverse impacts to our business, financial condition and results of operations, the extent of which may be material.

Risks associated with Colliers Mortgage
Our recently acquired Colliers Mortgage operations have certain key risk factors unique to the services provided. The following is a summary of key risk factors:

- a change in or loss of our relationship with US government agencies, such as Fannie Mae or Ginnie Mae could significantly impact our ability to originate mortgage loans;
- defaults by borrowers on loans originated under the Fannie Mae Delegated Underwriting and Servicing Program could materially affect our profitability as we are subject to sharing up to one-third of incurred losses;

- a decline in origination volumes or termination of our current servicing agreements, could significantly impact profitability, with a majority of our earnings generated from loan servicing; and
- a termination or changes to our warehouse credit facilities could lead to unfavourable replacement terms and may significantly impact our ability to originate new loans.

Forward-looking statements and risks
This MD&A contains forward-looking statements with respect to expected financial performance, strategy and business conditions. The words "believe," "anticipate," "estimate," "plan," "expect," "intend," "may," "project," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risk and uncertainties. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Factors which may cause such differences include, but are not limited to those set out below, those set out above under "Spin-off risk", "Risks associated with the COVID-19 pandemic" , "Risks associated with Colliers Mortgage" and those set out in detail in the "Risk Factors" section of the Company's Annual Information Form:

- The COVID-19 pandemic and its related impact on global, regional and local economic conditions, and in particular its impact on client demand for our services, our ability to deliver services and ensure the health and productivity of our employees.
- Economic conditions, especially as they relate to commercial and consumer credit conditions and business spending, particularly in regions where our operations 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 cap rates across different property types.
- A reduction by companies in their reliance on outsourcing for their commercial real estate needs, which would affect our revenues and operating performance.
- Competition in the markets served by the Company.
- The impact of changes in the market value of assets under management on the performance of our Investment Management business.
- A decline in our ability to attract, recruit and retain talent.
- A decline in our ability to attract new clients and to retain major clients and renew related contracts.
- Reliance on subcontractors.
- Labor shortages or increases in wage and benefit costs.
- A decline in our performance impacting our continued compliance with the financial covenants under our debt agreements, or our ability to negotiate a waiver of certain covenants with our lenders.
- The effect of increases in interest rates on our 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 our historical experience.
- The effects of changes in foreign exchange rates in relation to the US dollar on the Company's Euro, Canadian dollar, Australian dollar and UK pound sterling denominated revenues and expenses.
- A decline in our ability to identify and make acquisitions at reasonable prices and successfully integrate acquired operations.
- Disruptions or security failures in our information technology systems.
- 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.
- Political conditions, including political instability, elections, referenda, trade policy changes, immigration policy changes and any outbreak or escalation of hostilities or terrorism and the impact thereof on our business.
- The ability to protect against cybersecurity threats as well as to monitor new threats.
- Changes in climate and environment-related policies that directly impact our businesses.

- Changes in government laws and policies at the federal, state/provincial or local level that directly impact our businesses.
- Conversion of the Convertible Notes to subordinate voting shares may dilute the ownership of existing shareholders.

We caution that the foregoing list is not exhaustive of all possible factors, as other factors could adversely affect our results, performance or achievements. The reader is cautioned against undue reliance on these forward-looking statements. Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in such forward-looking statements will be realized. The inclusion of such forward-looking statements should not be regarded as a representation by the Company or any other person that the future events, plans or expectations contemplated by the Company will be achieved. We note that past performance in operations and share price are not necessarily predictive of future performance, particularly in light of the ongoing and developing COVID-19 pandemic and its impact on the global economy and its anticipated impact on our business. We disclaim any intention and assume no obligation to update or revise any forward-looking statement even if new information becomes available, as a result of future events or for any other reason.

Additional information

Additional information about Colliers, including our Annual Information Form for the year ended December 31, 2020, is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Further information about us can also be obtained at www.colliers.com.

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F for the year ended December 31, 2020 of Colliers International Group Inc. of our report dated February 18, 2021, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting which appears in Exhibit 2 incorporated by reference in this Annual Report.

/s/ PricewaterhouseCoopers LLP
Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
February 18, 2021

EXHIBIT 31

CERTIFICATION
PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Jay S. Hennick, certify that:

1. I have reviewed this annual report on Form 40-F of Colliers International Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

February 18, 2021

/s/ Jay S. Hennick
Jay S. Hennick
Chairman and Chief Executive Officer

CERTIFICATION
PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Christian Mayer, certify that:

1. I have reviewed this annual report on Form 40-F of Colliers International Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

February 18, 2021

/s/ Christian Mayer

Christian Mayer
Chief Financial Officer

EXHIBIT 32

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 40-F of Colliers International Group Inc. (the "Company") for the year ended December 31, 2020 (the "Report") filed with the United States Securities and Exchange Commission on the date hereof, I, Jay S. Hennick, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as enacted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 18, 2021

/s/ Jay S. Hennick
Jay S. Hennick
Chairman and Chief Executive Officer

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 40-F of Colliers International Group Inc. (the "Company") for the year ended December 31, 2020 (the "Report") filed with the United States Securities and Exchange Commission on the date hereof, I, Christian Mayer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as enacted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 18, 2021

/s/ Christian Mayer
Christian Mayer
Chief Financial Officer