

**COLLIERS INTERNATIONAL
GROUP INC.**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Second Quarter

June 30, 2020

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

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Revenues (note 20)	\$ 550,206	\$ 745,517	\$ 1,180,834	\$ 1,380,640
Cost of revenues (exclusive of depreciation and amortization shown below)	355,347	484,220	771,705	905,570
Selling, general and administrative expenses	150,612	175,058	318,704	348,130
Depreciation	8,851	8,540	17,729	16,489
Amortization of intangible assets	17,089	15,238	33,101	29,958
Acquisition-related items (note 6)	3,784	5,263	6,534	9,898
Operating earnings	14,523	57,198	33,061	70,595
Interest expense, net	6,179	8,257	13,763	15,476
Other income, net (note 7)	(266)	179	(970)	(322)
Earnings before income tax	8,610	48,762	20,268	55,441
Income tax expense (note 18)	2,127	13,187	7,326	14,402
Net earnings	6,483	35,575	12,942	41,039
Non-controlling interest share of earnings	4,265	6,586	7,642	7,831
Non-controlling interest redemption increment (note 15)	12,530	5,205	11,025	7,962
Net earnings (loss) attributable to Company	\$ (10,312)	\$ 23,784	\$ (5,725)	\$ 25,246
Net earnings (loss) per common share (note 16)				
Basic	\$ (0.26)	\$ 0.60	\$ (0.14)	\$ 0.64
Diluted	\$ (0.26)	\$ 0.60	\$ (0.14)	\$ 0.63

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

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

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Net earnings	\$ 6,483	\$ 35,575	\$ 12,942	\$ 41,039
Foreign currency translation gain (loss)	5,861	(1,946)	(10,528)	(54)
Unrealized gain (loss) on interest rate swaps, net of tax	129	(3,343)	(4,096)	(4,285)
Pension liability adjustments, net of tax	-	21	-	(4)
Comprehensive earnings (loss)	12,473	30,307	(1,682)	36,696
Less: Comprehensive earnings attributable to non-controlling interests	14,490	10,233	21,295	15,629
Comprehensive earnings (loss) attributable to Company	\$ (2,017)	\$ 20,074	\$ (22,977)	\$ 21,067

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

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

	June 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 147,169	\$ 114,993
Restricted cash	19,069	-
Accounts receivable, net of allowance of \$19,788 (December 31, 2019 - \$9,131)	300,752	393,945
Contract assets (note 20)	41,026	42,772
Warehouse receivables (note 14)	30,586	-
Income tax recoverable	10,077	10,435
Prepaid expenses and other current assets	167,597	145,171
Real estate assets held for sale (note 5)	-	10,741
	716,276	718,057
Other receivables	15,426	16,678
Contract assets (note 20)	7,403	6,162
Other assets	65,151	69,510
Fixed assets	107,207	107,197
Operating lease right-of-use assets	260,613	263,639
Deferred income tax, net	50,308	37,420
Intangible assets (note 8)	579,251	477,454
Goodwill	993,354	949,221
Real estate assets held for sale (note 5)	-	247,376
	2,078,713	2,174,657
	\$ 2,794,989	\$ 2,892,714
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued expenses	\$ 253,857	\$ 261,910
Accrued compensation	315,076	495,374
Income tax payable	22,407	15,756
Contract liabilities (note 20)	19,884	24,133
Long-term debt - current (note 9)	7,397	4,223
Contingent acquisition consideration - current (note 14)	8,656	16,813
Warehouse lines of credit (note 11)	24,586	-
Operating lease liabilities	68,417	69,866
Liabilities related to real estate assets held for sale (note 5)	-	36,191
	720,280	924,266
Long-term debt - non-current (note 9)	619,809	607,181
Contingent acquisition consideration (note 14)	66,396	68,180
Operating lease liabilities	230,366	229,224
Other liabilities	36,280	31,693
Deferred income tax, net	24,329	28,018
Convertible notes (note 10)	223,462	-
Liabilities related to real estate assets held for sale (note 5)	-	127,703
	1,200,642	1,091,999
Redeemable non-controlling interests (note 15)	375,057	359,150
Shareholders' equity		
Common shares	449,789	442,153
Contributed surplus	63,305	60,706
Retained earnings	66,632	77,181
Accumulated other comprehensive loss	(84,416)	(67,164)
Total Company shareholders' equity	495,310	512,876
Non-controlling interests	3,700	4,423
Total shareholders' equity	499,010	517,299
	\$ 2,794,989	\$ 2,892,714

Commitments and subsequent events (note 19 and note 22)

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

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

Six months ended June 30, 2020

	Common shares		Contributed surplus	Retained earnings (deficit)	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
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	-	-	-	12,942	-	-	12,942
Foreign currency translation loss	-	-	-	-	(10,528)	-	(10,528)
Unrealized loss on interest rate swaps, net of tax	-	-	-	-	(4,096)	-	(4,096)
Other comprehensive earnings attributable to NCI	-	-	-	-	(2,628)	(507)	(3,135)
NCI share of earnings	-	-	-	(7,642)	-	673	(6,969)
NCI redemption increment	-	-	-	(11,025)	-	-	(11,025)
Distributions to NCI	-	-	-	-	-	(837)	(837)
Acquisition of businesses, net	-	-	-	-	-	(52)	(52)
Subsidiaries' equity transactions	-	-	5	-	-	-	5
Subordinate Voting Shares:							
Stock option expense	-	-	4,224	-	-	-	4,224
Stock options exercised	153,600	7,636	(1,630)	-	-	-	6,006
Dividends	-	-	-	(2,000)	-	-	(2,000)
Balance, June 30, 2020	39,998,811	\$ 449,789	\$ 63,305	\$ 66,632	\$ (84,416)	\$ 3,700	\$ 499,010

Three months ended June 30, 2020

	Common shares		Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
Balance, March 31, 2020	39,901,561	\$ 444,958	\$ 62,092	\$ 78,943	\$ (92,711)	\$ 3,123	\$ 496,405
Net earnings	-	-	-	6,484	-	-	6,484
Foreign currency translation gain	-	-	-	-	5,861	-	5,861
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	129	-	129
Other comprehensive earnings attributable to NCI	-	-	-	-	2,305	64	2,369
NCI share of earnings	-	-	-	(4,265)	-	516	(3,749)
NCI redemption increment	-	-	-	(12,530)	-	-	(12,530)
Distributions to NCI	-	-	-	-	-	(3)	(3)
Subsidiaries' equity transactions	-	-	338	-	-	-	338
Subordinate Voting Shares:							
Stock option expense	-	-	1,971	-	-	-	1,971
Stock options exercised	97,250	4,831	(1,096)	-	-	-	3,735
Dividends	-	-	-	(2,000)	-	-	(2,000)
Balance, June 30, 2020	39,998,811	\$ 449,789	\$ 63,305	\$ 66,632	\$ (84,416)	\$ 3,700	\$ 499,010

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

Six months ended June 30, 2019

	Common shares		Contributed surplus	Accumulated other comprehensive loss	Deficit	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
Balance, December 31, 2018	39,213,136	\$ 415,805	\$ 54,717	\$ (21,751)	\$ (61,218)	\$ 4,420	\$ 391,973
Net earnings	-	-	-	41,039	-	-	41,039
Pension liability adjustment, net of tax	-	-	-	-	(4)	-	(4)
Foreign currency translation loss	-	-	-	-	(54)	-	(54)
Unrealized loss on interest rate swaps, net of tax	-	-	-	-	(4,285)	-	(4,285)
Other comprehensive earnings attributable to NCI	-	-	-	-	164	202	366
NCI share of earnings	-	-	-	(7,831)	-	932	(6,899)
NCI redemption increment	-	-	-	(7,962)	-	-	(7,962)
Distributions to NCI	-	-	-	-	-	(1,495)	(1,495)
Acquisition of businesses, net	-	-	-	-	-	(208)	(208)
Subsidiaries' equity transactions	-	-	2,556	-	-	-	2,556
Subordinate Voting Shares:							
Stock option expense	-	-	3,640	-	-	-	3,640
Stock options exercised	371,675	14,279	(2,129)	-	-	-	12,150
Dividends	-	-	-	(1,979)	-	-	(1,979)
Balance, June 30, 2019	39,584,811	\$ 430,084	\$ 58,784	\$ 1,516	\$ (65,397)	\$ 3,851	\$ 428,838

Three months ended June 30, 2019

	Common shares		Contributed surplus	Accumulated other comprehensive loss	Deficit	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
Balance, March 31, 2019	39,482,811	\$ 426,456	\$ 56,266	\$ (20,289)	\$ (61,688)	\$ 3,801	\$ 404,546
Net earnings	-	-	-	35,576	-	-	35,576
Pension liability adjustment, net of tax	-	-	-	-	21	-	21
Foreign currency translation loss	-	-	-	-	(1,946)	-	(1,946)
Unrealized loss on interest rate swaps, net of tax	-	-	-	-	(3,343)	-	(3,343)
Other comprehensive earnings attributable to NCI	-	-	-	-	1,559	144	1,703
NCI share of earnings	-	-	-	(6,587)	-	454	(6,133)
NCI redemption increment	-	-	-	(5,205)	-	-	(5,205)
Distributions to NCI	-	-	-	-	-	(516)	(516)
Acquisition of businesses, net	-	-	-	-	-	(32)	(32)
Subsidiaries' equity transactions	-	-	2,166	-	-	-	2,166
Subordinate Voting Shares:							
Stock option expense	-	-	809	-	-	-	809
Stock options exercised	102,000	3,628	(457)	-	-	-	3,171
Dividends	-	-	-	(1,979)	-	-	(1,979)
Balance, June 30, 2019	39,584,811	\$ 430,084	\$ 58,784	\$ 1,516	\$ (65,397)	\$ 3,851	\$ 428,838

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

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

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Cash provided by (used in)				
Operating activities				
Net earnings	\$ 6,483	\$ 35,575	\$ 12,942	\$ 41,039
Items not affecting cash:				
Depreciation and amortization	25,940	23,778	50,830	46,447
(Gains) losses on mortgage servicing rights	(509)	-	(509)	-
Proceeds and origination of mortgage loans	2,880	-	2,880	-
Deferred income tax	(6,839)	(3,025)	(13,997)	(7,044)
Earnings from equity method investments (note 7)	(414)	(374)	(969)	(740)
Stock option expense (note 17)	1,971	809	4,224	3,640
Allowance for credit losses	4,983	1,112	8,602	2,218
Amortization of advisor loans	5,419	5,034	10,420	10,066
Contingent consideration	(2,471)	4,088	(1,469)	7,600
Other	1,675	5,045	3,795	7,857
Net changes from operating assets / liabilities				
Accounts receivable	13,571	(26,039)	74,512	17,297
Contract assets	3,421	(299)	958	4,771
Warehouse receivables	697	-	697	-
Prepaid expenses and other assets	(3,481)	(2,117)	(2,122)	(10,375)
Accounts payable and accrued expenses	(9,895)	(14,002)	(36,089)	(47,669)
Accrued compensation	(17,855)	(5,648)	(181,261)	(143,238)
Income tax payable	6,208	(6,572)	6,548	(16,887)
Contract liabilities	(1,635)	12,189	(3,547)	4,043
Other liabilities	(436)	(883)	(1,429)	3,564
Contingent acquisition consideration paid	(1,354)	(5,101)	(15,684)	(5,213)
Sale proceeds from AR Facility, net of repurchases (note 12)	(1,276)	119,425	(12,285)	119,425
Net cash provided by (used in) operating activities	27,083	142,995	(92,953)	36,801
Investing activities				
Acquisitions of businesses, net of cash acquired (note 4)	(133,840)	(10,433)	(136,941)	(23,677)
Purchases of fixed assets	(10,290)	(13,685)	(19,029)	(24,064)
Advisor loans issued	(3,022)	(6,000)	(6,612)	(10,906)
Proceeds from sale of held for sale real estate assets (note 5)	94,222	-	94,222	-
Collections of AR facility deferred purchase price (note 12)	15,069	7,337	26,459	7,337
Other investing activities	1,918	(403)	7,416	(4,696)
Net cash used in investing activities	(35,943)	(23,184)	(34,485)	(56,006)
Financing activities				
Increase in long-term debt	113,747	101,132	354,156	319,613
Repayment of long-term debt	(231,749)	(214,602)	(329,012)	(298,189)
Issuance of convertible notes	230,000	-	230,000	-
Purchases of non-controlling interests' subsidiary shares, net	(19,719)	(4,061)	(24,395)	(6,765)
Contingent acquisition consideration paid	-	(4,379)	(10,743)	(8,394)
Proceeds received on exercise of stock options	2,188	3,171	4,458	12,150
Dividends paid to common shareholders	-	-	(1,992)	(1,961)
Distributions paid to non-controlling interests	(14,293)	(13,363)	(21,986)	(19,557)
Financing fees paid	(7,353)	(1,337)	(7,353)	(1,357)
Net cash provided by (used in) financing activities	72,821	(133,439)	193,133	(4,460)
Effect of exchange rate changes on cash	(813)	(1,627)	(14,450)	(1,275)
Net change in cash, cash equivalents and restricted cash	63,148	(15,255)	51,245	(24,940)
Cash, cash equivalents and restricted cash, beginning of period	103,090	117,347	114,993	127,032
Cash, cash equivalents and restricted cash, end of period	\$ 166,238	\$ 102,092	\$ 166,238	\$ 102,092

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

COLLIERS INTERNATIONAL GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(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 services to corporate and institutional clients in 36 countries around the world (68 countries including affiliates and franchisees). Colliers’ primary services are Outsourcing and Advisory services, Lease Brokerage, Sales Brokerage 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

These unaudited Interim Consolidated Financial Statements (the “Financial Statements”) have been prepared by the Company in accordance with disclosure requirements for the presentation of interim financial information. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America have been condensed or omitted in accordance with such disclosure requirements, although management believes that the disclosures are adequate to make the information not misleading. These Financial Statements should be read in conjunction with the audited consolidated financial statements of Colliers for the year ended December 31, 2019.

In the opinion of management, the Financial Statements contain all adjustments necessary to a fair statement of the financial position of the Company as at June 30, 2020 and the results of operations and its cash flows for the three and six month periods ended June 30, 2020 and 2019. All such adjustments are of a normal recurring nature. The results of operations for the six month period ended June 30, 2020 are not necessarily indicative of the results to be expected for the year ending December 31, 2020.

These Financial Statements follow the same accounting policies as the most recent audited consolidated financial statements of Colliers, except for the adoption of ASC Topic 326 in the first quarter of 2020 and in relation to accounting policies and related disclosures relating to the Company’s issuance of Convertible Notes in May 2020 (see below and note 10) and to disclose the accounting policies applicable for businesses acquired within the year. Specifically, the accounting policies for revenue have been expanded to incorporate accounting policies applicable to new revenue streams associated with the newly acquired Colliers Mortgage business (see note 4).

In addition, the Company has revised the name of its sales brokerage revenue line to capital markets.

The updated accounting policies for revenue recognition and unearned revenues and financial instruments and derivatives and new accounting policies related to the allowance for credit losses, convertible notes, mortgage servicing rights and warehouse receivables are summarized below.

Revenue

The Company generates revenue from contracts with customers through its provision of commercial real estate services. These services consist of capital markets and leasing brokerage operations, outsourcing and advisory services and investment management services.

(a) Leasing brokerage operations

Lease brokerage 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 brokerage and other capital 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 and advisory services

Outsourcing and advisory services consist of project management, valuation and advisory services, property management as well as loan servicing. Project management services include design and construction management, move management and workplace solutions consulting. Project management 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. These various services may be provided through the Company's employees or through contracts with third party providers. Consistent with industry custom, 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.

Valuation and advisory 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 which may span multiple property types and geographic locations. These appraisals may be utilized for a variety of customer needs including acquisitions, dispositions, financing or for tax purposes. In addition to valuation services, the Company provides consulting services to assist customers with specialized real estate needs.

Loan servicing fees consist of revenues earned in accordance with the contractual arrangements associated with the Company's debt finance operations, particularly fees earned for servicing loans originated by the Company.

(d) Investment management services

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. Lease brokerage 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 sell 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. MSR and guarantee obligations are recognized as assets and liabilities, respectively, upon the sale of the loans.

Outsourcing and advisory services including those provided in relation to property management and project management 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. If a contract includes an hourly fee, 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 and customers are invoiced on a monthly basis and consideration is payable when invoiced.

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 and administration 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 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 or 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 and 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 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 brokerage fees, outsourcing and 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.

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 June 30, 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.

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.

Financial guarantees and allowance for loss sharing

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 guarantee obligation, which reduces the gain on sale of the loan reported in capital markets revenue. Upon sale of the loan, a liability for the fair value of the guarantee obligation is recognized and included in other liabilities on the Consolidated Balance Sheets. Subsequently, this initial liability is amortized over the estimated life of the loan in line with collection of loan principal and recorded as an increase in capital markets revenue on the consolidated statements of earnings.

Additionally, in accordance with ASC Topic 326, Financial Instruments – Credit Losses (“ASC 326”), the Company estimates the credit losses expected over the life of the credit exposure and has recorded a loss reserve for this risk. The Company evaluates the loss reserve on an individual loan basis. 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. For the period ended June 30, 2020, the analysis incorporated specific economic conditions related to the COVID-19 pandemic. As at June 30, 2020, the loan loss guarantee reserve was \$16,367 and was included within Other liabilities on the consolidated balance sheets. See note 19 for further information on the DUS Program and the loss-sharing guarantee obligation.

Convertible notes

The Company issued Convertible Notes in May 2020 (see note 10). 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 common shares is added to the denominator.

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 lines of credit. The lines 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.

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.

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 executions of the commitment to originate a loan with a borrower and to sell the loan to an investor, with a corresponding amount recognize 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, an allowance for loss sharing, 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 14, for additional information on derivative financial instruments.

Goodwill and intangible assets

The impact of the COVID-19 pandemic, with its combined health toll and sharp decline in global economic output, is unprecedented and the full extent of the impact will depend on future developments. These developments are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning its severity, its duration and actions by government authorities to contain the outbreak or manage its impact.

As a result of the changes in the current economic environment related to the COVID-19 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 as of June 30, 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.

Government assistance related to the COVID-19 pandemic

The Company received \$10,234 of wage subsidies from governments in several countries around the world during the three month period ended June 30, 2020. The wage subsidies were recorded as reduction to cost of revenues 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 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.

4. Acquisitions

During the six months ended June 30, 2020, the Company acquired a controlling interest in a Colliers International affiliate operating in the Americas segment (Austin, Texas). On May 29, 2020, the Company also acquired controlling interests in Dougherty Mortgage LLC, Dougherty Funding LLC, Dougherty & Company LLC and Dougherty Insurance Agency LLC (rebranded at the acquisition date and together now referred to as “Colliers Mortgage”), headquartered in Minneapolis. Colliers Mortgage operates in the Americas segment across 21 U.S. states.

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 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”).

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

	Colliers Mortgage	Other	Aggregate Acquisitions
Current assets, excluding cash	\$ 77,897	\$ 1,603	\$ 79,500
Non-current assets	8,201	523	8,724
Current liabilities	(81,731)	(1,878)	(83,609)
Long-term liabilities	(5,552)	(423)	(5,975)
	<u>\$ (1,185)</u>	<u>\$ (175)</u>	<u>\$ (1,360)</u>
Cash consideration, net of cash acquired of \$39,748	\$ (133,840)	\$ (3,101)	\$ (136,941)
Acquisition date fair value of contingent consideration	(9,250)	-	(9,250)
Total purchase consideration	<u>\$ (143,090)</u>	<u>\$ (3,101)</u>	<u>\$ (146,191)</u>
Acquir			
Indefinite life	\$ 29,850	\$ -	\$ 29,850
Finite life	\$ 105,040	\$ 2,380	\$ 107,420
Goodwill	\$ 52,541	\$ 896	\$ 53,437
Redeemable non-controlling interest	\$ 43,156	\$ -	\$ 43,156

The MSR intangible asset acquired with Colliers Mortgage had a fair value of \$99,865 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%

As of June 30, 2020, the Company has not completed its analysis to assign fair values to all of the identifiable intangible and tangible assets acquired and, therefore, the purchase price allocation may be refined during the measurement period.

During the six months ended June 30, 2019, the Company acquired controlling interests in three business for cash consideration of \$23,179 (net of cash acquired of \$3,571).

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 June 30, 2020 was 75,052 (December 31, 2019 - \$84,993). See note 14 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 June 30, 2020 was \$14,063 (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 \$163,079 to a maximum of \$187,489. These contingencies will expire during the period extending to December 2023.

5. Real estate assets held for sale

In December 2019, the Company's Investment Management segment acquired a controlling interest in a portfolio of real estate assets (the "Portfolio") from an unrelated party. The acquisition was accounted for by the acquisition method of accounting for asset purchases that do not constitute the acquisition of a business. The Portfolio consists of land and buildings located in the United Kingdom and associated liabilities. The Portfolio was acquired in connection with the establishment of a new closed-end Investment Management fund (the "Fund"). In May 2020, the Company sold the Portfolio to the Fund without gain or loss.

The Fund is 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 six months ended June 30, 2020, the Portfolio generated \$3,182 of net earnings which was included in Company's consolidated net earnings.

6. Acquisition-related items

Acquisition-related expense comprises the following:

	Three months ended		Six months ended	
	June 30		June 30	
	2020	2019	2020	2019
Transaction costs	\$ 6,255	\$ 1,175	\$ 8,003	\$ 2,299
Contingent consideration fair value adjustments	(4,343)	430	(4,852)	858
Contingent consideration compensation expense	1,872	3,658	3,383	6,742
	<u>\$ 3,784</u>	<u>\$ 5,263</u>	<u>\$ 6,534</u>	<u>\$ 9,899</u>

7. Other income, net

	Three years ended		Six months ended	
	June 30		June 30	
	2020	2019	2020	2019
Loss (gain) on investments	\$ 87	\$ 84	\$ 53	\$ (92)
Fair value adjustment on DPP (note 12)	60	455	68	455
Equity earnings from non-consolidated investments	(414)	(374)	(969)	(740)
Other	1	14	(122)	55
	\$ (266)	\$ 179	\$ (970)	\$ (322)

8. 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:

June 30, 2020

	Gross carrying amount	Accumulated amortization	Net
Indefinite life intangible assets:			
Trademarks and trade names	\$ 23,750	\$ -	\$ 23,750
Licenses	29,850	-	29,850
	\$ 53,600	\$ -	\$ 53,600
Finite life intangible assets:			
Mortgage servicing rights	\$ 100,229	\$ 1,274	\$ 98,955
Customer lists and relationships	304,647	123,606	181,041
Investment management contracts	270,600	48,578	222,022
Franchise rights	5,068	4,604	464
Trademarks and trade names	11,922	3,170	8,752
Management contracts and other	20,699	10,320	10,379
Backlog	8,076	4,038	4,038
	\$ 721,241	\$ 195,590	\$ 525,651
	\$ 774,841	\$ 195,590	\$ 579,251

June 30, 2019

	Gross carrying amount	Accumulated amortization	Net
Indefinite life intangible assets:			
Trademarks and trade names	\$ 23,854	\$ -	\$ 23,854
	\$ 23,854	\$ -	\$ 23,854
Finite life intangible assets:			
Customer lists and relationships	\$ 299,069	\$ 105,144	\$ 193,925
Investment management contracts	270,600	24,289	246,311
Franchise rights	5,152	4,309	843
Trademarks and trade names	12,432	3,674	8,758
Management contracts and other	16,060	8,497	7,563
	\$ 603,313	\$ 145,913	\$ 457,400
	\$ 627,167	\$ 145,913	\$ 481,254

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.

	<u>2020</u>
Balance, January 1	\$ -
Recognized on business acquisitions	99,865
Additions, following the sale of loan	480
Amortization expense	(1,274)
Pre-payments and write-offs	(116)
Balance, June 30	<u>\$ 98,955</u>

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:

	MSRs	Other	Total
2020 (remaining six months)	\$ 7,647	31,705	\$ 39,352
2021	14,494	57,752	72,246
2022	13,873	54,721	68,594
2023	13,477	52,087	65,564
2024	12,540	44,324	56,864
Thereafter	36,924	186,107	223,031
	<u>\$ 98,955</u>	<u>426,696</u>	<u>\$ 525,651</u>

9. Long-term debt

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 2.50% over floating reference rates, depending on financial leverage ratios. The weighted average interest rate at June 30, 2020 was 2.9% (2019 – 3.4%). The Revolving Credit Facility had \$607,989 of available un-drawn credit as at June 30, 2020. As of June 30, 2020, letters of credit in the amount of \$11,754 were outstanding (\$9,836 as at December 31, 2019). The Revolving Credit Facility requires a commitment fee of 0.25% to 0.5% 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 June 30, 2020. The Company is limited from undertaking certain mergers, acquisitions and dispositions without prior approval.

10. 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. See Note 2 for further details. 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 \$6,642 which are being amortized over five years using the effective interest rate method. For the quarter ended June 30, 2020 there was \$104 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 4.3%.

11. Warehouse lines of credit

The following table summarizes the Company's warehouse lines of credit as at June 30, 2020:

	June 30, 2020	
	Maximum Capacity	Carrying Value
LIBOR plus 1.60%, expires October 21, 2020	\$ 125,000	\$ 20,338
LIBOR plus 1.60%	125,000	4,248
	\$ 250,000	\$ 24,586

The Company has warehouse lines of credit established with financial institutions exclusively for the purpose of funding warehouse receivables. The warehouse lines of credit are revolving and are secured by warehouse loans originated, if any.

12. 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 June 30, 2020, the Company had drawn \$111,810 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 impairment or increased obligation at each reporting date. As of June 30, 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 six months ending June 30, 2020, Receivables sold under the AR Facility were \$552,019 and cash collections from customers on Receivables sold were \$572,040, 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 June 30, 2020, the outstanding principal on trade accounts receivable, net of Allowance for Doubtful Accounts, sold under the AR Facility was \$98,582; and the outstanding principal on contract assets, current and non-current, sold under the AR Facility was \$78,892. See note 14 for fair value information on the DPP.

For the six months ended June 30, 2020, the Company recognized a loss related to Receivables sold of \$68 (2019 - \$455 loss) 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 six months ended June 30, 2020 were \$6,705.

13. 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 fee arrangements and equity co-investments (typically 1%-2%).

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Investments in unconsolidated subsidiaries	\$ 3,021	\$ 1,981
Co-investment commitments	<u>17,121</u>	<u>7,969</u>
Maximum exposure to loss	<u>\$ 20,142</u>	<u>\$ 9,950</u>

14. Fair value measurements

The following table provides the financial assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2020:

	Carrying value at June 30, 2020	Fair value measurements		
		Level 1	Level 2	Level 3
Assets				
Financial instruments and other inventory positions owned:				
Equity securities	\$ 3,207	\$ 3,148	\$ 59	\$ -
Debt securities	13,036	-	13,036	-
Derivative assets	21,697	-	21,697	-
Total financial instruments and other inventory positions owned:	37,939	3,148	34,791	-
Cash equivalents	19,929	19,929	-	-
Warehouse receivables	30,586	-	30,586	-
Deferred Purchase Price on AR Facility	64,808	-	-	64,808
Total assets	<u>\$ 153,261</u>	<u>\$ 23,076</u>	<u>\$ 65,377</u>	<u>\$ 64,808</u>
Liabilities				
Derivative liability	\$ 15,340	\$ -	\$ 15,340	\$ -
Interest rate swap liability	10,188	-	10,188	-
Contingent consideration liability	75,052	-	-	75,052
Total liabilities	<u>\$ 100,580</u>	<u>\$ -</u>	<u>\$ 25,528</u>	<u>\$ 75,052</u>

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.

Financial instruments and other inventory positions owned

The Company records financial instruments and other inventory positions owned at fair value on the Consolidated Balance Sheets. These financial instruments are valued based on observable market data that may include quoted market prices dealer quotes, market spreads, cash flows, the U.S. treasury yield curve, trading levels, market consensus prepayment speeds, credit information and the instruments terms and conditions and are classified as Level 2 of the fair value hierarchy.

Certain investments in equity securities where quoted prices are readily available are classified as Level 1 in the fair value hierarchy. The Company increases or decreases its investment each reporting period by the change in the fair value of the investment reported in net earnings on the Consolidated Statements of Earnings.

Warehouse receivables

As at June 30, 2020, all of the Company's 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.

Interest rate swaps

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. 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.

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.

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 MSR. However, the Company has evaluated the impact of the fair value of the MSR 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 4.0% depending upon the aging of the Receivables. See note 12 for information on the AR Facility.

	<u>2020</u>
Balance, January 1	\$ 69,873
Additions to DPP	21,357
Collections on DPP	(26,459)
Fair value adjustment	(68)
Foreign exchange and other	<u>105</u>
Balance, June 30	<u>\$ 64,808</u>

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 8.5%, with a weighted average of 4.8%). 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. Within the range of discount rates, there is data point concentration at the 2.1% and 3.8% levels. A 2% increase in the weighted average discount rate would reduce the fair value of contingent consideration by \$2,500.

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

	<u>2020</u>
Balance, January 1	\$ 84,993
Amounts recognized on acquisitions	9,250
Fair value adjustments (note 6)	(4,852)
Resolved and settled in cash	(14,271)
Other	(67)
Balance, June 30	<u>\$ 75,052</u>
Less: current portion	<u>\$ 8,656</u>
Non-current portion	<u>\$ 66,396</u>

The carrying amounts for 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:

	<u>June 30, 2020</u>		<u>December 31, 2019</u>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
Other receivables	\$ 15,426	\$ 15,426	\$ 16,678	\$ 16,678
Advisor loans receivable (non-current)	44,120	44,120	48,283	48,283
Long-term debt (non-current)	384,367	384,367	372,281	372,281
Senior Notes	234,994	241,131	234,901	254,858
Convertible Notes	223,462	230,000	-	-

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

15. 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:

	<u>2020</u>
Balance, January 1	\$ 359,150
RNCI share of earnings	7,011
RNCI redemption increment	11,025
Distributions paid to RNCI	(21,414)
Purchase of interests from RNCI, net	(23,871)
RNCI recognized on business acquisitions	43,156
Balance, June 30	<u>\$ 375,057</u>

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 June 30, 2020 was \$345,296 (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 June 30, 2020, approximately 5,900,000 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.

16. Net earnings per common share

Earnings per share calculations cannot be anti-dilutive, therefore neither (i) common shares potentially issuable on exercise of stock options nor (ii) common shares potentially issuable upon conversion of the Convertible Notes are used in the denominator when the numerator is in a loss position.

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

(in thousands)	Three months ended		Six months ended	
	June 30		June 30	
	2020	2019	2020	2019
Basic shares	39,930	39,532	39,902	39,416
Exercise of stock options	-	422	-	471
Conversion of Convertible Notes	-	-	-	-
Diluted shares	39,930	39,954	39,902	39,887

17. 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 June 30, 2020, there were 845,250 options available for future grants.

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

There were 40,000 stock options granted during the six months ended June 30, 2020 (2019 - 515,000). Stock option activity for the six months ended June 30, 2020 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, 2019	2,001,600	\$ 58.96		
Granted	40,000	57.44		
Exercised	(153,600)	39.10		
Shares issuable under options - June 30, 2020	1,888,000	\$ 60.54	2.9	\$ 10,123
Options exercisable - June 30,2020	462,000	\$ 38.96	1.2	\$ 8,478

The amount of compensation expense recorded in the statement of earnings for the six months ended June 30, 2020 was \$4,224 (2019 - \$3,640). As of June 30, 2020, there was \$10,296 of unrecognized compensation cost related to non-vested awards which is expected to be recognized over the next 4 years. During the six month period ended June 30, 2020, the fair value of options vested was \$4,720 (2019 - \$5,327).

18. Income tax

The provision for income tax for the six months ended June 30, 2020 reflected an effective tax rate of 36.1% (2019 - 26.0%) relative to the combined statutory rate of approximately 26.5% (2019 - 26.5%). The current year's rate was impacted by the reversal of a \$2,030 tax benefit related to a cross-border financing structure pursuant to a change in tax law applied retroactively to 2019.

19. Commitments and 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.

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 June 30, 2020, the amount required to be paid to the Chairman & CEO, based on a market price of C\$77.90 per Subordinate Voting Share, would be US\$217,711.

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 14, 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 June 30, 2020, the Company has funded and sold loans subject to such loss-sharing arrangements with an aggregate unpaid principal balance of approximately \$3,500,000.

For all DUS Program loans with loss-sharing obligations, the Company records a liability equal to the estimated fair value of the guarantee obligations undertaken upon sale of the loan, which reduces the gain on sale of the loan. Subsequently, the liability is amortized over the estimated life of the loan and recorded as an increase in revenue on the Consolidated Statements of Earnings. The Company performs a quarterly analysis of the loans subject to loss-sharing to determine expected credit losses and records a liability for loan loss guarantee reserve. Changes to the loan loss guarantee reserve are recognized as an expense. The

loan loss guarantee reserve is included in other liabilities on the Consolidated Balance Sheets. As at June 30, 2020 the loan loss guarantee reserve was \$16,367.

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 June 30, 2020, the licensees were in compliance with all such requirements.

20. 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 Management	Corporate	Consolidated
Three months ended June 30						
2020						
Lease brokerage	\$ 102,414	\$ 19,885	\$ 14,469	\$ -	\$ -	\$ 136,768
Capital markets	71,615	23,044	20,346	-	-	115,005
Property management	64,244	14,495	34,419	-	-	113,158
Valuation and advisory	32,963	19,900	16,653	-	-	69,516
Project management	29,863	21,300	11,746	-	-	62,909
Loan Servicing	4,094	31	-	-	-	4,125
IM - Advisory	-	-	-	38,582	-	38,582
IM - Incentive Fees	-	-	-	-	-	-
IM - Transaction and Other	-	-	-	2,807	-	2,807
Other	3,692	959	2,472	-	213	7,336
Total Revenue	\$ 308,885	\$ 99,614	\$ 100,105	\$ 41,389	\$ 213	\$ 550,206
2019						
Lease brokerage	\$ 188,250	\$ 35,958	\$ 28,916	\$ -	\$ 250	\$ 253,374
Capital markets	95,103	39,466	29,034	-	-	163,603
Property management	65,476	19,432	34,931	-	-	119,839
Valuation and advisory	37,308	25,033	16,202	-	-	78,543
Project management	30,949	30,894	12,726	-	-	74,569
Loan Servicing	283	-	-	-	-	283
IM - Advisory	-	-	-	41,884	-	41,884
IM - Incentive Fees	-	-	-	4,321	-	4,321
IM - Transaction and Other	-	-	-	697	-	697
Other	4,016	812	3,290	-	286	8,404
Total Revenue	\$ 421,385	\$ 151,595	\$ 125,099	\$ 46,902	\$ 536	\$ 745,517
Six months ended June 30						
2020						
Lease brokerage	\$ 230,781	\$ 40,942	\$ 29,555	\$ -	\$ -	\$ 301,278
Capital markets	165,856	54,981	37,171	-	-	258,008
Property management	132,425	30,571	69,015	-	-	232,011
Valuation and advisory	74,845	41,626	29,686	-	-	146,157
Project management	61,499	46,468	26,761	-	-	134,728
Loan Servicing	4,990	63	-	-	-	5,053
IM - Advisory	-	-	-	78,273	-	78,273

IM - Incentive Fees	-	-	-	2,260	-	2,260
IM - Transaction and Other	-	-	-	6,681	-	6,681
Other	8,479	2,045	5,351	-	510	16,385
Total Revenue	\$ 678,875	\$ 216,696	\$ 197,539	\$ 87,214	\$ 510	\$ 1,180,834

2019

Lease brokerage	\$ 328,039	\$ 57,662	\$ 49,207	\$ -	\$ 250	\$ 435,158
Capital markets	181,706	71,691	62,071	-	-	315,468
Property management	129,272	38,581	69,936	-	-	237,789
Valuation and advisory	73,060	44,088	30,041	-	-	147,189
Project management	59,358	58,005	21,105	-	-	138,468
Loan Servicing	720	-	-	-	-	720
IM - Advisory	-	-	-	73,313	-	73,313
IM - Incentive Fees	-	-	-	15,508	-	15,508
IM - Transaction and Other	-	-	-	1,171	-	1,171
Other	8,056	2,032	5,056	-	712	15,856
Total Revenue	\$ 780,211	\$ 272,059	\$ 237,416	\$ 89,992	\$ 962	\$ 1,380,640

Revenue associated with the Company's debt finance and loan servicing operations are outside the scope of ASC Topic 606. In the three months ended June 30, 2020, \$5,118 of revenue was excluded from the scope of ASC Topic 606. These revenues were included entirely within the Americas segment within capital markets and loan servicing revenue.

Contract balances

As at June 30, 2020, the Company had contract assets totaling \$48,429 of which \$41,026 was current (\$48,934 as at December 31, 2019 - of which \$42,772 was current). During the six months ended June 30, 2020, approximately 71% of the current contract assets were moved to accounts receivable or sold under the AR Facility (Note 12).

As at June 30, 2020, the Company had contract liabilities (all current) totaling \$19,884 (\$24,133 as at December 31, 2019). Revenue recognized for the three months ended June 30, 2020 totaled \$1,936 (2019 - \$2,450) the six months ended June 30, 2020 totaled \$20,041 (2019 - \$25,496) that was included in the contract liability balance at the beginning of the year.

Certain constrained brokerage fees, outsourcing and 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.

21. 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

OPERATING SEGMENTS

	Americas	EMEA	Asia Pacific	Investment Management	Corporate	Consolidated
Three months ended June 30						
2020						
Revenues	\$ 308,885	\$ 99,614	\$ 100,105	\$ 41,389	\$ 213	\$ 550,206
Depreciation and amortization	9,348	5,217	3,514	6,685	1,176	25,940
Operating earnings (loss)	3,415	(3,267)	5,091	10,648	(1,364)	14,523
2019						
Revenues	\$ 421,385	\$ 151,595	\$ 125,099	\$ 46,902	\$ 536	\$ 745,517
Depreciation and amortization	9,019	5,759	1,436	6,629	935	23,778
Operating earnings (loss)	25,619	10,842	12,539	12,249	(4,051)	57,198
Six months ended June 30						
2020						
Revenues	\$ 678,875	\$ 216,696	\$ 197,539	\$ 87,214	\$ 510	\$ 1,180,834
Depreciation and amortization	17,418	10,660	7,117	13,320	2,315	50,830
Operating earnings (loss)	26,125	(16,718)	6,319	22,426	(5,091)	33,061
2019						
Revenues	\$ 780,211	\$ 272,059	\$ 237,416	\$ 89,991	\$ 962	\$ 1,380,639
Depreciation and amortization	17,280	11,341	2,894	13,239	1,693	46,447
Operating earnings (loss)	41,787	696	21,755	15,886	(9,529)	70,595

Geographic information

Revenues in each geographic region are reported by customer locations.

GEOGRAPHIC INFORMATION

	Three months ended		Six months ended	
	June 30		June 30	
	2020	2019	2020	2019
United States				
Revenues	\$ 271,483	\$ 363,535	\$ 588,562	\$ 675,577
Total long-lived assets			1,240,104	1,081,240
Canada				
Revenues	\$ 63,349	\$ 85,917	\$ 144,545	\$ 160,065
Total long-lived assets			82,902	89,939
Euro currency countries				
Revenues	\$ 50,929	\$ 82,859	\$ 119,261	\$ 155,014
Total long-lived assets			287,656	301,518
Australia				
Revenues	\$ 38,910	\$ 54,918	\$ 77,793	\$ 98,323
Total long-lived assets			79,652	83,572
United Kingdom				
Revenues	\$ 29,948	\$ 39,364	\$ 59,671	\$ 70,885
Total long-lived assets			76,390	85,196
Other				
Revenues	\$ 95,587	\$ 118,924	\$ 191,002	\$ 220,776
Total long-lived assets			173,721	119,433
Consolidated				
Revenues	\$ 550,206	\$ 745,517	\$ 1,180,834	\$ 1,380,640
Total long-lived assets			1,940,425	1,760,898

22. Subsequent event

On July 13, 2020, the Company completed the acquisition of a controlling interest in Maser Consulting P.A., an engineering and design firm operating in the United States. Total initial cash consideration was \$82,116. This acquisition will be accounted for using the acquisition method of accounting for business combinations.