

## **COLLIERS INTERNATIONAL GROUP INC.**

Management's discussion and analysis  
For the nine months ended September 30, 2021  
(in US dollars)  
November 5, 2021

*The following management's discussion and analysis ("MD&A") should be read together with the Unaudited interim 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 three and nine months ended September 30, 2021 and the Company's audited consolidated financial statements and MD&A 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 three and nine months ended September 30, 2021 and up to and including November 5, 2021.*

*Additional information about the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at [www.sec.gov](http://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 third quarter ended September 30, 2021 were \$1.02 billion, an increase of 48% versus the prior year period (46% in local currency). The increase was driven by strong performance in all services lines, particularly Capital Markets and Investment Management, versus prior year quarter results which were impacted by the COVID-19 pandemic. Third quarter diluted earnings per share were \$0.40 versus \$0.52 in the prior year quarter. The decrease was driven by (i) higher non-controlling interest share of earnings with greater proportion of earnings coming from non-wholly owned operations; (ii) higher non-controlling interest redemption increment on strong performance in certain non-wholly owned operations; and (iii) the dilutive impact of the settlement of the Long-Term Incentive Arrangement ("LTIA") (see below). 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 \$1.27, up 18% from \$1.08 in the prior year period. GAAP net earnings per share and adjusted net earnings per share for the quarter ended September 30, 2021 would have been approximately \$0.03 and \$0.02 lower, respectively, excluding the impact of changes in foreign exchange rates.

During the nine months ended September 30, 2021, the Company completed two tuck-in acquisitions in the Americas (Miami, Florida; Ontario, Canada).

On November 1, 2021, the Company completed its previously announced acquisition of Bergmann Associates, Architects, Engineers, Landscape Architects & Surveyors, D.P.C. ("Bergmann"), a leading engineering, architecture and design services firm located in the US Northeast, Midwest and Mid-Atlantic regions. Bergmann will rebrand as part of Colliers Engineering & Design by the second half of 2022.

In October 2021, the Company entered into agreements to acquire controlling interests in Antirion SGR S.p.A. ("Antirion"), one of the largest real estate investment management firms in Italy with assets under management of more than \$4 billion, and the Colliers Italy affiliate (which collectively consists of Colliers International Italia S.p.A., Colliers Real Estate Services Italia S.R.L. and Colliers Real Estate Management Services S.R.L.). The transactions are expected to close by the end of first quarter of 2022.

In October 2021, we announced our 'Elevate the Built Environment' strategic framework designed to embed environment, social and governance ("ESG") best practices across the organization. In addition, we committed to setting a science-based target through the Science-Based Targets initiative's (SBTi) Business Ambition for 1.5°C program as well as achieving Net Zero for our own operations by 2030.

On April 16, 2021, after receiving approval from 95% of disinterested shareholders, the Company completed the previously announced transaction (the "Transaction") to settle the Management Services Agreement, including the LTIA, between Colliers, Jay S. Hennick (the Company's Chairman & CEO) and Jayset Management CIG Inc., a corporation controlled by Mr. Hennick. The Transaction also established a timeline for the orderly elimination of Colliers' dual class voting structure by no later than September 1, 2028. The completion of the Transaction resulted in the issuance of 3.6 million Subordinate Voting Shares from treasury and a cash payment of \$96.2 million funded from the Company's revolving credit facility, which were recorded as an expense of \$471.9 million on the statement of earnings during the second quarter of 2021.

For the three and nine-month periods ended September 30, 2021, local currency revenue growth was driven by strength across all service lines, particularly Capital Markets and Leasing which have rebounded strongly relative to the pandemic-impacted prior year period and the positive impact of recent acquisitions.

<i>(in thousands of US\$)</i> <i>(LC = local currency)</i>	Three months ended				Nine months ended			
	September 30		Change in US\$	Change in LC%	September 30		Change in US\$	Change in LC%
	2021	2020			2021	2020		
Outsourcing & Advisory	\$ 390,943	\$ 315,352	24%	22%	\$ 1,119,720	\$ 849,686	32%	27%
Investment Management	78,275	41,704	88%	87%	173,379	128,918	34%	34%
Leasing	242,890	169,688	43%	41%	663,807	470,966	41%	37%
Capital Markets	310,648	165,563	88%	85%	786,758	423,571	86%	79%
Total revenues	\$ 1,022,756	\$ 692,307	48%	46%	\$ 2,743,664	\$ 1,873,141	46%	42%

#### Results of operations – three months ended September 30, 2021

For the quarter ended September 30, 2021, revenues were \$1.02 billion, 48% higher than the comparable prior year quarter (46% in local currency). Internally generated revenues were up 45%, driven by strong growth across all service lines, particularly Capital Markets and Investment Management as compared to prior year results which were impacted by the COVID-19 pandemic. Acquisitions contributed 1% to local currency revenue growth.

Operating earnings for the third quarter were \$76.0 million relative to \$52.1 million in the prior year period. Operating earnings margin was 7.4%, roughly flat versus 7.5% in prior year quarter with operating leverage from higher revenues offset by higher variable and discretionary costs which were reduced during the pandemic. Adjusted EBITDA (see "Reconciliation of non-GAAP financial measures" below) was \$123.6 million up 34% versus \$92.1 million reported in the prior year quarter. Adjusted EBITDA margin was 12.1% in the quarter as compared to 13.3% in the prior year quarter.

Depreciation expense was \$11.4 million relative to \$10.4 million in the prior year quarter with the increase attributable to increased investments in office leaseholds and the impact of recent business acquisitions.

Amortization expense was \$23.1 million, versus \$25.9 recorded in the prior year quarter with the decrease largely attributable to timing of certain acquisitions.

Net interest expense was \$8.3 million, versus \$8.9 million recorded in the prior year quarter. The average interest rate on debt during the period was 3.6%, relative to 3.1% in the prior year quarter.

Earnings from equity investments, including other income, for the third quarter were \$1.5 million as compared to \$0.5 million in the prior year quarter.

Consolidated income tax expense for the quarter was \$18.8 million, relative to \$11.7 million in the prior year quarter. The effective tax rate for the quarter was 27.1%, versus 26.9% in the prior year quarter.

The net earnings for the quarter were \$50.5 million versus \$32.0 million in the prior year comparative quarter.

Revenues in the Americas region totalled \$617.1 million for the third quarter, up 46% (45% in local currency) versus \$422.6 million in the prior year quarter. Revenue growth was primarily driven by strong Capital Markets activity, especially in the

industrial and multi-family asset classes. Outsourcing & Advisory revenues were also up strongly on robust growth in Engineering & Design, Valuation and Mortgage services. Foreign exchange tailwinds positively impacted revenue growth by 1%. Adjusted EBITDA was \$65.8 million, up 20% from \$54.6 million in the prior year quarter. Adjusted EBITDA growth was impacted by (i) performance-based incentives resulting from strong year-over-year growth in operating results and (ii) higher discretionary and variable costs relative to significantly reduced costs earlier in the pandemic. GAAP operating earnings were \$48.9 million, relative to \$40.4 million in the prior year quarter.

Revenues in the EMEA region totalled \$154.9 million for the third quarter compared to \$117.4 million in the prior year quarter, up 32% (29% in local currency) with strong growth across all service lines. Foreign exchange tailwinds positively impacted revenue growth by 3%. Adjusted EBITDA was \$15.0 million, up 96% from \$7.7 million in the prior year on higher revenues and continuing cost savings from measures implemented during the pandemic. GAAP operating earnings were \$11.4 million versus a loss of \$1.4 million in the prior year quarter.

Revenues in the Asia Pacific region totalled \$172.3 million for the third quarter compared to \$110.5 million in the prior year quarter, up 56% (51% in local currency). Revenue growth was robust across all service lines and geographies, especially in Australia and New Zealand, versus pandemic-impacted prior year quarter results. Foreign exchange tailwinds positively impacted revenue growth by 5%. Adjusted EBITDA was \$20.7 million, up 62% from \$12.8 million in the prior year quarter with the improvement in margin attributable to operating leverage. GAAP operating earnings were \$18.3 million, versus \$8.5 million in the prior year quarter.

Investment Management revenues for the third quarter were \$78.3 million compared to \$41.7 million in the prior year quarter, up 88% (87% in local currency). Passthrough revenue from historical carried interest represented \$18.6 million for the third quarter versus \$1.9 million in the prior year quarter. Excluding the impact of carried interest, revenue was up 50% driven by management fee growth from increased assets under management. Adjusted EBITDA was \$27.8 million, up 82% from \$15.3 million in the prior year quarter. GAAP operating earnings were \$19.8 million in the quarter, versus \$7.9 million in the prior year quarter. Assets under management were \$46.1 billion on September 30, 2021, up 17% from \$39.5 billion on December 31, 2020 and up 27% from \$36.2 billion on September 30, 2020.

Unallocated global corporate costs as reported in Adjusted EBITDA were \$5.6 million in the third quarter, relative to earnings of \$1.8 million in the prior year quarter, with the change primarily attributable to performance-based incentive compensation accruals recorded in the current year period. The corporate GAAP operating loss for the quarter was \$22.5 million relative to a loss of \$3.5 million in the third quarter of 2020 attributable to an increase in the fair value of contingent acquisition consideration on strong operating performance of recently acquired businesses as well as incentive compensation accruals.

### **Results of operations - nine months ended September 30, 2021**

For the nine months ended September 30, 2021, revenues were \$2.74 billion, up 46% compared to the prior year period (42% in local currency). Internally generated revenues were up 32% driven by (i) a rebound in Capital Markets and Leasing activity; (ii) strong growth in Investment Management and Outsourcing & Advisory service lines; and (iii) the impact of recent acquisitions, versus prior year results which were impacted by the pandemic beginning in March 2020. Acquisitions contributed 10% to local currency revenue growth versus the prior year period.

The operating loss was \$269.9 million and included the impact of the settlement of the LTIA. Excluding the settlement of the LTIA, operating earnings were \$202.1 million versus \$85.1 million in the prior year period. The operating earnings margin, excluding the LTIA, was 7.4% versus 4.5% in the prior year period with the increase attributable to (i) operating leverage from higher revenues across all services lines; (ii) the year-to-date impact of higher margin acquisitions of Colliers Mortgage and Colliers Engineering & Design; and (iii) measures taken to reduce costs due to the pandemic. Adjusted EBITDA (see "Reconciliation of non-GAAP financial measures" below) was \$352.3 million, up 71% versus \$206.5 million in the prior year. Adjusted EBITDA margin increased by 180 basis points to 12.8% as compared to 11.0% in the prior year period.

Depreciation expense was \$32.9 million relative to \$28.1 million in the prior year period, with the increase attributable to the impact of recent acquisitions and increased investments in office leaseholds.

Amortization expense was \$74.0 million relative to \$59.0 million in the prior year period, with the increase attributable mainly to intangible assets recognized in connection with recent business acquisitions.

Earnings from equity investments, including other income, were \$5.5 million as compared to \$1.5 million in the prior year.

Net interest expense was \$24.5 million, up from \$22.6 million in the prior year period and included the full year-to-date impact of interest from Convertible Notes which were issued on May 19, 2020. The average interest rate on our debt during the period was 3.5%, versus 2.9% in the prior year period.

Consolidated income tax expense for the nine months ended September 30, 2021 was \$48.5 million, relative to \$19.1 million in the prior year period. The current year's rate was impacted by the settlement of the LTIA. The settlement and its related costs are not tax deductible. The effective tax rate would be 26.5%, after excluding the impact from the settlement of the LTIA, as compared to 29.8% in the prior year period, which was impacted by the reversal of a \$2.0 million tax benefit recorded in 2019 due to a change in tax law applied retroactively. The effective tax rate for the full year (excluding LTIA) is expected to be between 25% to 28%.

The net loss was \$337.3 million, which includes the impact of the LTIA, versus earnings of \$44.9 million in the prior year period.

Revenues in the Americas region totalled \$1.68 billion for the nine months ended September 30, 2021, up 52% (50% in local currency) versus \$1.1 billion in the prior year period. Revenue growth was primarily driven by a rebound in Capital Markets and Leasing activity and year-to-date impact of recent acquisitions. Foreign exchange tailwinds positively impacted revenue growth by 2%. Adjusted EBITDA was \$201.7 million, versus \$110.2 million in the prior year period on higher revenues and the impact of recent acquisitions, including Colliers Engineering & Design and Colliers Mortgage. GAAP operating earnings were \$155.0 million, relative to \$66.5 million in the prior year period.

Revenues in the EMEA region totalled \$439.6 million for the nine months ended September 30, 2021 compared to \$334.0 million in the prior year period, up 32% (24% in local currency). Revenue growth was driven by growth across all services lines, particularly Capital Markets and Leasing. Foreign exchange tailwinds positively impacted revenue growth by 8%. Adjusted EBITDA was \$40.1 million, versus \$10.3 million in the prior year with the improvement primarily attributable to operating leverage from higher revenues and cost savings from measures implemented due to the pandemic. The GAAP operating earnings were \$24.7 million compared to a loss of \$18.1 million in the prior year period.

Revenues in the Asia Pacific region totalled \$454.6 million for the nine months ended September 30, 2021 compared to \$308.0 million in the prior year period, up 48% (37% in local currency). Revenue growth was driven by a rebound in activity across all service lines and geographies. Foreign exchange tailwinds positively impacted revenue growth by 11%. Adjusted EBITDA was \$56.8 million compared to \$30.3 million in the prior year period with the improvement in margin attributable to operating leverage. GAAP operating earnings were \$46.7 million, versus \$14.9 million in the prior year period.

Investment Management revenues were \$173.4 million compared to \$128.9 million in the prior year period, up 35% (34% in local currency) on solid management fee growth. Pass-through revenue from historical carried interest was \$18.6 million relative to \$4.2 million in the prior year period. Adjusted EBITDA was \$66.8 million, relative to \$51.1 million in the prior year period. GAAP operating earnings were \$43.9 million versus \$30.3 million in the prior year period.

Unallocated global corporate costs as reported in Adjusted EBITDA were \$13.2 million for the nine months ended September 30, 2021, relative to a recovery of \$4.7 million in the prior year period, with the change primarily attributable to performance-based incentive compensation accruals recorded in the current year period. The corporate GAAP operating loss was \$540.2 million and included the impact of the settlement of the LTIA. Operating loss, excluding the impact of the settlement of the LTIA, was \$68.2 million relative to \$8.5 million in the prior year period attributable to an increase in the fair value of contingent acquisition consideration on strong operating performance of recently acquired businesses as well as incentive compensation accruals.

**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 future quarter.

**Summary of quarterly results - years ended December 31, 2021, 2020 and 2019**  
**(in thousands of US\$, except per share amounts)**

	Q1	Q2	Q3	Q4
<b>Year ended December 31, 2021</b>				
Revenues	\$ 774,914	\$ 945,994	\$ 1,022,756	
Operating earnings (loss)	39,956	(385,777)	75,966	
Net earnings (loss)	24,807	(456,117)	50,496	
Basic net earnings (loss) per common share	0.11	(10.53)	0.41	
Diluted net earnings (loss) per common share	0.11	(10.53)	0.40	
<b>Year ended December 31, 2020</b>				
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 (loss) per common share	0.12	(0.26)	0.53	0.84
Diluted net earnings (loss) per common share	0.11	(0.26)	0.52	0.80
<b>Year ended December 31, 2019</b>				
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
<b>Other data<sup>1</sup></b>				
Adjusted EBITDA - 2021	\$ 92,128	\$ 136,558	\$ 123,641	
Adjusted EBITDA - 2020	54,454	59,962	92,120	\$ 154,906
Adjusted EBITDA - 2019	43,571	87,323	84,262	144,320
Adjusted EPS - 2021	\$ 1.04	\$ 1.58	\$ 1.27	
Adjusted EPS - 2020	0.54	0.70	1.08	\$ 1.79
Adjusted EPS - 2019	0.51	1.10	1.04	2.01

<sup>1</sup>See reconciliation of non-GAAP financial measures

**Impact of COVID-19 pandemic**

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. 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. Certain cost management measures remain in place through to the present date.

**2021 outlook**

Given the strong results for the third quarter and continued momentum, the Company now expects revenue and Adjusted EBITDA to exceed the top end of the previous outlook. The previously provided outlook for the full year 2021, relative to 2020, was a revenue increase of 20%-30% and an Adjusted EBITDA increase of 25%-35%. The outlook for the balance of the year may still be impacted by (i) changes in Capital Markets and Leasing transaction velocity in the traditionally strong fourth quarter as the pandemic continues to impact operations; and (ii) higher than anticipated increases in operating costs, which were reduced during the pandemic.

This financial 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).

### **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**

Net cash generated by operating activities for the nine-month period ended September 30, 2021 was \$211.1 million, versus \$104.3 million in the prior year period. The prior year period was impacted by significant working capital usage in our Capital Markets and Leasing operations related to the pandemic. 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 nine months ended September 30, 2021, capital expenditures were \$44.5 million. Capital expenditures for the year ending December 31, 2021 are expected to be \$55-\$60 million relative to \$40.4 million in 2020, with the increase primarily attributable to investments in office space in major markets, some of which were deferred from 2020.

Net indebtedness as at September 30, 2021 was \$244.6 million, versus \$323.3 million at December 31, 2020, which excludes the Convertible Notes and warehouse credit facilities. Net indebtedness is calculated as the current and non-current portion of long-term debt less cash and cash equivalents. As of September 30, 2021, the Company's financial leverage ratio expressed in terms of net debt to pro forma Adjusted EBITDA was 0.5x (1.0x as of December 31, 2020), relative to a maximum of 3.5x permitted under its debt agreements. Including the Convertible Notes, our net indebtedness as at September 30, 2021 would have been \$469.5 million. We are in compliance with the covenants contained in our agreements relating to our debt agreements as at September 30, 2021 and, based on our outlook for 2021, we expect to remain in compliance with these covenants.

As of September 30, 2021, the Company had \$858.8 million of unused credit under its committed revolving credit facility maturing in April 2024.

The Convertible Notes, due 2025, 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 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.

On July 28, 2021 the Company entered into a note purchase agreement to issue US dollar and Euro fixed rate senior unsecured notes (the "Senior Notes due 2031"), consisting of US\$150 million of 3.02% Notes due 2031 and €125 million of 1.52% Notes due 2031. The Senior Notes due 2031 were placed privately and rank equally with Colliers' senior unsecured revolving credit facility and existing senior unsecured Euro notes due 2028. The proceeds of the Senior Notes due 2031 were drawn on October 7, 2021. The Company used the proceeds for general corporate purposes and to repay all outstanding borrowings under its Revolving Credit Facility.

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.

On April 26, 2021, we renewed and extended our structured accounts receivable facility (the "AR Facility") with a third-party financial institution. 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 decrease to our borrowing costs. The AR Facility has committed availability of \$125 million with a term of 364 days extending to April 25, 2022 and includes selected US and

Canadian trade accounts receivable (the "Receivables"). As of September 30, 2021, the Company had drawn \$120.9 million under the AR Facility.

On May 13, 2021, the Company's Board of Directors declared a semi-annual dividend of \$0.05 per share to shareholders of record on June 30, 2021. This dividend amounting to \$2.2 million was paid on July 14, 2021.

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 \$196.1 million as at September 30, 2021 (December 31, 2020 - \$208.6 million). 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 September 30, 2021 was \$149.6 million (December 31, 2020 - \$115.6 million). 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 September 30, 2021 was \$11.7 million (December 31, 2020 - \$17.6 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 June 2026. We estimate that approximately 85% of the contingent consideration outstanding as of September 30, 2021 will ultimately be paid.

The following table summarizes our contractual obligations as at September 30, 2021:

Contractual obligations (in thousands of US\$)	Total	Payments due by period			
		Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term debt	\$ 377,193	\$ 2,596	\$ 132,376	\$ -	\$ 242,221
Warehouse credit facilities	152,905	152,905	-	-	-
Convertible Notes	224,895	-	-	224,895	-
Interest on long-term debt and Convertible Notes	84,943	20,645	38,669	16,626	9,003
Finance lease obligations	1,554	969	585	-	-
Contingent acquisition consideration	149,565	96,780	48,207	4,468	110
Operating leases obligations	465,085	93,578	142,336	86,748	142,423
Purchase commitments <sup>1</sup>	179,871	137,379	19,582	19,641	3,269
Co-investment Commitments	27,871	27,871	-	-	-
<b>Total contractual obligations</b>	<b>\$ 1,663,882</b>	<b>\$ 532,723</b>	<b>\$ 381,755</b>	<b>\$ 352,378</b>	<b>\$ 397,026</b>

1. Purchase commitments for less than 1 year include the acquisitions of Bergmann, Antirion, and Colliers Italy.

At September 30, 2021, we had commercial commitments totaling \$18.6 million comprised of letters of credit outstanding due to expire within one year.

### 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 \$444.7 million as of September 30, 2021 (December 31, 2020 - \$415.1 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 September 30, 2021, the RNCI recorded on the

balance sheet was \$474.6 million (December 31, 2020 - \$442.4 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 the nine months ended September 30, 2021 would be \$2.00, and the accretion to adjusted EPS would be \$0.47.

### **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 September 31, 2021 would increase bad debt expense by \$2.3 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); (iii) interest expense; (iv) the settlement of the LTIA; (v) depreciation and amortization, including amortization of mortgage servicing rights (“MSRs”); (vi) gains attributable to MSRs; (vii) acquisition-related items (including contingent acquisition consideration fair value adjustments, contingent acquisition consideration-related compensation expense and transaction costs); (viii) restructuring costs and (ix) stock-based compensation expense. We use adjusted EBITDA to evaluate our own operating performance and our ability to service debt, as well as an integral part of our planning and reporting systems. Additionally, we use this measure in conjunction with discounted cash flow models to determine the Company’s overall enterprise valuation and to evaluate acquisition targets. We present adjusted EBITDA as a supplemental measure because we believe such measure is useful to investors as a reasonable indicator of operating performance because of the low capital intensity of the Company’s service operations. We believe this measure is a financial metric used by many investors to compare companies, especially in the services industry. This measure is not a recognized measure of financial performance under GAAP in the United States, and should not be considered as a substitute for operating earnings, net earnings or cash flow from operating activities, as determined in accordance with GAAP. Our method of calculating adjusted EBITDA may differ from other issuers and accordingly, this measure may not be comparable to measures used by other issuers. A reconciliation of net earnings to adjusted EBITDA appears below.

<i>(in thousands of US\$)</i>	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Net earnings (loss)	\$ 50,496	\$ 31,979	\$ (337,298)	\$ 44,921
Income tax	18,771	11,740	48,490	19,066
Other income, including equity earnings from non-consolidated investments	(1,601)	(509)	(5,547)	(1,479)
Interest expense, net	8,300	8,864	24,500	22,627
Operating earnings (loss)	75,966	52,074	(269,855)	85,135
Settlement of LTIA	-	-	471,928	-
Depreciation and amortization	34,588	36,281	106,939	87,111
Gains attributable to MSRs	(5,812)	(6,888)	(20,728)	(7,397)
Equity earnings from non-consolidated investments	1,487	482	4,625	1,451
Acquisition-related items	14,231	4,965	49,773	11,499
Restructuring costs	523	3,374	1,466	22,681
Stock-based compensation expense	2,658	1,832	8,180	6,056
<b>Adjusted EBITDA</b>	<b>\$ 123,641</b>	<b>\$ 92,120</b>	<b>\$ 352,328</b>	<b>\$ 206,536</b>

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

operations, as determined in accordance with GAAP. Our method of calculating this non-GAAP measure may differ from other issuers and, accordingly, this measure may not be comparable to measures used by other issuers. A reconciliation of net earnings to adjusted net earnings and of diluted net earnings per share to adjusted EPS appears below.

Adjusted EPS is calculated using the "if-converted" method of calculating earnings per share in relation to the Convertible Notes, which were issued on May 19, 2020. As such, the interest (net of tax) on the Convertible Notes is added to the numerator and the additional shares issuable on conversion of the Convertible Notes are added to the denominator of the earnings per share calculation to determine if an assumed conversion is more dilutive than no assumption of conversion. The "if-converted" method is used if the impact of the assumed conversion is dilutive. For the three months and nine months ended September 30, 2021, the "if-converted" method is anti-dilutive for the GAAP diluted EPS calculation but dilutive for the adjusted EPS calculation.

<i>(in thousands of US\$)</i>	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Net earnings (loss)	\$ 50,496	\$ 31,979	\$ (337,298)	\$ 44,921
Non-controlling interest share of earnings	(13,623)	(6,264)	(33,148)	(13,906)
Interest on Convertible Notes	2,300	2,314	6,900	3,373
Settlement of LTIA	-	-	471,928	-
Amortization of intangible assets	23,148	25,912	74,019	59,013
Gains attributable to MSRs	(5,812)	(6,888)	(20,728)	(7,397)
Acquisition-related items	14,231	4,965	49,773	11,499
Restructuring costs	523	3,374	1,466	22,681
Stock-based compensation expense	2,658	1,832	8,180	6,056
Income tax on adjustments	(8,934)	(6,988)	(27,117)	(20,235)
Non-controlling interest on adjustments	(3,125)	(2,625)	(9,920)	(7,222)
<b>Adjusted net earnings</b>	<b>\$ 61,862</b>	<b>\$ 47,611</b>	<b>\$ 184,055</b>	<b>\$ 98,783</b>

<i>(in US\$)</i>	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Diluted net earnings (loss) per common share <sup>(1)</sup>	\$ 0.37	\$ 0.48	\$ (9.20)	\$ 0.37
Interest on Convertible Notes, net of tax	0.04	0.04	0.11	0.06
Non-controlling interest redemption increment	0.39	0.10	1.34	0.37
Settlement of LTIA	-	-	10.02	-
Amortization expense, net of tax	0.28	0.38	0.94	0.88
Gains attributable to MSRs, net of tax	(0.07)	(0.12)	(0.25)	(0.14)
Acquisition-related items	0.20	0.10	0.75	0.27
Restructuring costs, net of tax	0.01	0.06	0.02	0.40
Stock-based compensation expense, net of tax	0.05	0.04	0.18	0.14
<b>Adjusted EPS</b>	<b>\$ 1.27</b>	<b>\$ 1.08</b>	<b>\$ 3.91</b>	<b>\$ 2.35</b>

Diluted weighted average shares for Adjusted EPS (thousands) **48,722** 44,181 47,111 42,075

<sup>(1)</sup>Amounts shown reflect the "if-converted" method's dilutive impact on the adjusted EPS calculation for the three and nine months ended September 30, 2021 and 2020.

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**

#### *Accounting for Income Taxes*

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting of Income Taxes to simplify the accounting for income taxes. The guidance eliminates certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences related to changes in ownership of equity method investments and foreign subsidiaries. The guidance also simplifies aspects of accounting for enacted changes in tax laws or rates, and clarifies the accounting for transactions that result in step-up in tax basis of goodwill. The Company adopted the guidance effective January 1, 2021. The Company's processes and disclosures have been updated to incorporate the new standard. The adoption of the standard did not have a material impact on our Consolidated Financial Statements.

### **Recently issued accounting guidance, not yet adopted**

#### *Reference Rate Reform*

The FASB has issued two ASU related to reference rate reform. 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* and in January 2021 the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope*. With reference rates like the London Interbank Offered Rates ("LIBOR") expecting to be discontinued 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 for a limited time for all entities through December 31, 2022. The Company has certain debt and hedging arrangements which may qualify for use of the practical expedients permitted under the guidance. The Company has evaluated and will continue to evaluate arrangements subject to rate reform and the options under the ASU to facilitate an orderly transition to alternative reference rates and their potential impacts on its Consolidated Financial Statements and disclosures.

#### *Debt with Conversion Options*

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. 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. The interest rate swaps are measured at fair value on the balance sheet. The Company designated each of these interest rate swaps as cash flow hedges at the inception of the respective interest rate swaps. On July 1, 2021, the Company dedesignated both hedging relationships. 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.

### **Transactions with related parties**

On April 16, 2021, the Company completed the Transaction to settle the Management Services Agreement, including the LTIA, between Colliers, Jay S. Hennick (the Company's Chairman & CEO) and Jayset Management CIG Inc., a corporation controlled by Mr. Hennick.

As at September 30, 2021, the Company had \$3.5 million of loans receivable from non-controlling shareholders (December 31, 2020 - \$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 2028, 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 42,702,700 Subordinate Voting Shares and 1,325,694 Multiple Voting Shares. In addition, as at the date hereof 1,971,725 Subordinate Voting Shares are issuable upon exercise of options granted under the Company's stock option plan.

On July 16, 2021, the Company announced a Normal Course Issuer Bid ("NCIB") effective from July 20, 2021 to July 19, 2022. The Company is entitled to repurchase up to 3,200,000 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 September 30, 2021. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as at September 30, 2021.

### **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 September 30, 2021, our internal control over financial reporting was effective.

During the three months ended September 30, 2021, 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.

### **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 is impacting our clients, employees, and services. 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.

Many of the risks discussed in the "Risk Factors" section of the Company's Annual Information Form are, and could be, exacerbated by the ongoing 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 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 “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.
- Continuing evolution of global climate change policy and its tangible and intangible impact on our operations, employees and clients.
- 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 COVID-19 pandemic. 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](http://www.sedar.com) and on EDGAR at [www.sec.gov](http://www.sec.gov). Further information about us can also be obtained at [www.colliers.com](http://www.colliers.com).