

A low-angle, upward-looking photograph of a modern skyscraper with a glass facade. The building's lines converge towards the top of the frame, creating a sense of height and scale. The sky is a clear, vibrant blue with a few wispy white clouds. The building's reflection is visible in the lower windows.

Global  
**LEADER**  
in Real Estate Services & Investment Management

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2018 Annual Report

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# Annual Message to Shareholders

From left: John B. Friedrichsen, Chief Financial Officer, Jay S. Hennick, Global Chairman & CEO, Dylan E. Taylor, CEO, Colliers Real Estate Services

## At Colliers, we are enterprising.

We set ambitious growth plans, attract and develop industry leaders and accelerate success for our clients and shareholders. Our people are passionate, take personal responsibility and always do what's right. Our entrepreneurial culture is truly unique and reinforced by the fact that our leadership team owns more than 40% of the equity in our company, significantly more ownership than any of our global competitors.

In 2015, we established an ambitious five-year growth plan to double the size of our company by 2020. I am pleased to say we are finished year three of our five-year plan, and we remain on track to achieving this goal. As importantly, we continue to see more growth opportunities today than at any other point in our history.

2018 was a defining year for Colliers. We established a new Investment Management platform with the acquisition of Harrison Street Real Estate Capital, a pioneer in demographic-based investing with a proven track record of delivering best-in-class returns. We also completed 11 additional acquisitions including five in the Americas, four in EMEA and two in Asia Pacific, strengthening our services business across our global platform.

This solidifies Colliers' place as the world's fastest growing global real estate services and investment management company. To continue our strong momentum, Dylan Taylor has assumed the role of CEO, Colliers Real Estate Services while I remain responsible for overall strategy and execution across all our business. Dylan's appointment recognizes his success in building our operations over the past decade. By strengthening our already strong foothold in the industry and adding another core engine for growth, Colliers is

in a perfect position to continue capitalizing on opportunities for the future while generating superior returns for its shareholders.

Over the past 24 years, our leadership team has delivered more than 19% compound annual returns. This record of performance is unique in our industry and speaks volumes about our ability to maximize the potential for growth and create value for our shareholders over the long-term.

Here are some of our highlights from 2018:

- Colliers made excellent progress increasing recurring earnings and further diversifying revenue streams, creating greater stability to our overall business. Currently about 75% of our earnings come from recurring or repeat revenue streams and geographically, 59% of our revenues come from the Americas with the remainder split evenly between Europe and Asia Pacific.
- In April, we expanded our revolving credit facility to \$1 billion, improving our pricing and extending the term until 2023. Then in May, we reinforced our balance sheet further through the issuance of €210 million of senior unsecured notes, with a ten-year term and a fixed interest rate of 2.23%. Both issuances provide us with additional capacity to grow as we continue executing on our strategic growth plan.
- Just after year-end, we completed another significant acquisition, the market leader in Virginia with more than 340 professionals. This addition further strengthens our rapidly growing U.S. business, particularly our operations in the Mid-Atlantic region.

What sets Colliers apart is not what we do, but how we do it. One of the ways we foster our culture is through our employee engagement process. It focuses on collecting and analyzing employee feedback, cascading insights and top grading our teams across the entire organization. In 2018, we were recognized as Aon Best Employers in Canada and Australia and we received the prestigious HR Asia Award in Greater China. While we value these accolades, what's important is the rigour we place around achieving best-in-class people practices across our company. We are proud of our enterprising culture that empowers our people to do their best work, maximize every opportunity and lead the industry.

Being enterprising around technology is another important ingredient to our success. Our strategy is to invest in technologies that enable our professionals to deliver smarter, more personalized and value-added service to clients whether by streamlining processes, improving effectiveness or enabling better decision-making. We are mid-way through a global initiative to elevate our web presence, drive consistency and improve functionality and perhaps most importantly, the user experience. Furthermore, our proprietary Colliers 360 for corporate users, Colliers Office Expert for occupiers and tenants, Colliers Indsite for industrial users and ColliersCRM for our advisors are a few more examples of our strategy in action.

We also believe we can gain incremental value and new insights from early-stage technology opportunities. In 2018, we launched the first global Colliers PropTech Accelerator in partnership with Techstars, a world leader in building accelerators and investing in early-stage technologies. More than 150 mentors worked closely with our first ten cohort companies sourced from



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*We have  
finished the  
third year  
of our plan and  
remain on track  
to achieving  
our goals*

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around the world, culminating in final presentations to an audience of more than 600 Colliers clients, professionals, real estate industry leaders and technology investors. Each company continues to work on its business plan, including raising additional funds for development. Last month we formally launched the 2019 program as we continue seeking early insights into the best, even potentially industry disrupting, technologies that will accelerate success for our clients and people in the future.

The Colliers business is stronger today than ever, particularly with the addition of our new investment management platform, which gives us another engine for growth, substantially higher margins and significantly more recurring earnings. In 2019, I am optimistic that we will achieve another year of success toward our 2020 plan,

continuing our long track record of success and keen focus on enhancing our highly respected brand and global platform that has become among the best in the industry.

I would like to thank our business leaders, professionals and employees for their enterprising work over the past year. Together, we take pride in building upon our strong foundation as we continue to write the story of Colliers International.

A handwritten signature in black ink, appearing to read "Jay S. Hennick". The signature is fluid and cursive, with a large loop at the end.

Jay S. Hennick

# The World of Colliers

All statistics for 2018 are in U.S. dollars and include affiliates.



Comprised of  
**17,300**  
professionals



Established in  
**68**  
countries



Managing  
**2B**  
square feet



Revenue  
**\$3.3B**



Lease/sale transactions  
**69,000**



Transaction value  
**\$127B**



**+\$26B**  
Assets Under Management

# Why Invest in Colliers?

## Compelling Industry Dynamics

- \$200+ billion global market for commercial real estate related services
- Increasing trends toward greater institutional real estate investment and outsourcing of related services
- As one of only five global players, significant opportunities to increase market share, consolidate and add services

## Proven Business Model

- High percentage of recurring and repeat earnings
- Revenue diversified by professional services and markets around the world
- Disciplined growth strategy
  - Faster growth than overall market
  - Augment internal growth with strategic acquisitions
  - Reinvest significant cash flow in high-return, growth-oriented investments
- On track to complete our five-year 2020 plan to double the size of our company
- More than \$1.5 billion invested in more than 80 transactions over 15 years

## Global Leader in Commercial Real Estate and Investment Management

- Top-tier global brand, platform and reputation
- Experienced leadership team with a proven track record
- Unique enterprising culture that attracts high calibre professionals and clients

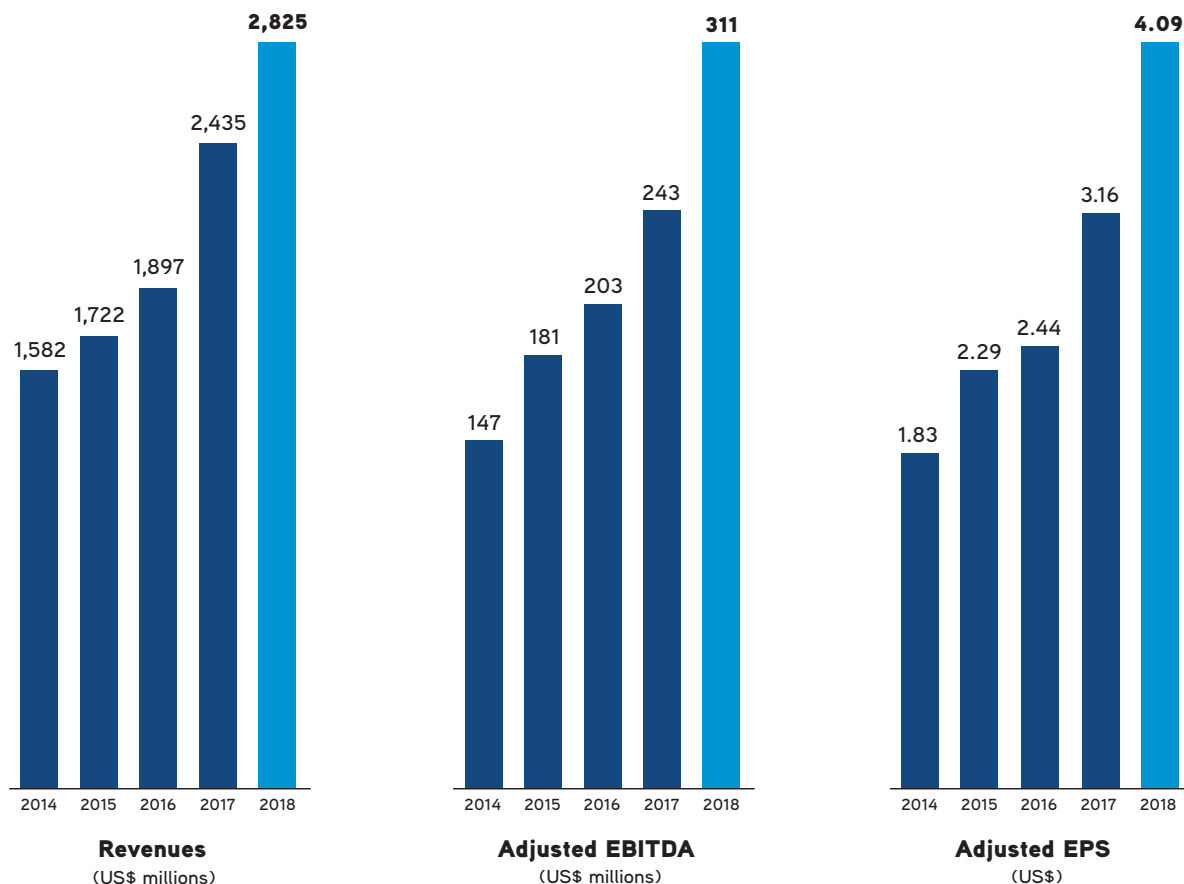
## Focus on Creating Long-term Shareholder Value

- Proven record of disciplined capital allocation focused on strategic fit and return on invested capital
- Strong balance sheet with ample access to capital
- Fastest growing global real estate services and investment firm
- 40% of our company is owned by leadership team
- 19%+ CAGR in share price over 24 years

Below: Colliers office, Madrid, Spain



# Financial Highlights



	Year ended December 31				
	2018	2017	2016	2015	2014
(US\$ thousands, except per share amounts)					
<b>Operations<sup>1</sup></b>					
Revenues	\$ 2,825,427	\$ 2,435,200	\$ 1,896,724	\$ 1,721,986	\$ 1,582,271
Operating earnings	201,398	167,376	146,173	80,384	78,156
Net earnings from continuing operations	128,574	94,074	91,571	39,915	53,909
Net earnings from discontinued operations	-	-	-	1,104	23,807
Net earnings	128,574	94,074	91,571	41,019	77,716
<b>Financial Position</b>					
Total assets	\$ 2,357,580	\$ 1,507,560	\$ 1,194,779	\$ 1,092,421	\$ 1,639,427
Long-term debt	672,123	249,893	262,498	260,947	493,348
Financial leverage <sup>2</sup>	1.6	0.6	0.7	0.8	1.0
Shareholders' equity	391,973	303,014	212,513	149,493	233,215
<b>Earnings Data</b>					
Adjusted EBITDA <sup>3</sup>	\$ 311,435	\$ 242,824	\$ 203,062	\$ 181,334	\$ 146,772
Diluted net earnings per common share from continuing operations	2.45	1.31	1.75	0.59	0.54
Adjusted EPS <sup>4</sup>	4.09	3.16	2.44	2.29	1.83
Diluted weighted average common shares outstanding (thousands)	39,795	39,308	38,868	37,586	36,309
Cash dividends per common share	\$ 0.10	\$ 0.10	\$ 0.09	\$ 0.20	\$ 0.40

## Notes

1. New revenue guidance was adopted retrospectively effective January 1, 2018 and accordingly, comparative information for the year ended December 31, 2017 and as at December 31, 2017 has been restated. Data for 2016 and prior periods have not been restated.
2. Financial leverage expressed in terms of net debt / adjusted EBITDA.
3. Adjusted EBITDA is defined as net earnings from continuing operations before income tax, interest, depreciation, amortization, other (income) expense, acquisition-related items, spin-off related costs, restructuring costs and stock-based compensation expense.
4. Adjusted EPS is defined as diluted net earnings per common share from continuing operations, adjusted for the effect, after income tax, of non-controlling interest redemption increment, amortization, acquisition-related items, spin-off related costs, restructuring costs and stock-based compensation expense.

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# Corporate Responsibility

## At Colliers, we do what's right for our clients, people and communities.

As a global commercial real estate and investment management firm, we have a unique opportunity to lead change for a better future.

### Governance & Ethics

We govern ourselves in accordance with established corporate governance principles and applicable laws. Our nine member Board of Directors provides strong leadership and oversight to our operations. Our people are required to adhere to and acknowledge our Global Code of Ethics and Conduct annually. Through Colliers Direct, our anonymous reporting hotline, our people can report concerns about behaviours that may be illegal, unethical or harmful. Reports are investigated by the appropriate executive team members or, where appropriate, members of the Board.

### Our People

We are proud to promote an enterprising culture that empowers our people to do their best work, collaborating with our global experts to maximize every opportunity and lead the industry.

### Diversity & Inclusion

Diversity and inclusion are fundamental to our culture. Our teams are comprised of people with different skills, backgrounds and prior experiences. We actively promote employee groups, such as the Women's Diversity Program, which provides mentorship, networking and professional development opportunities. Approximately 30% of leaders and managers at Colliers are women and promoting diversity remains a key factor in our recruitment and people development efforts.

### Culture

At Colliers, we are committed to fostering a positive, productive environment that attracts and retains the industry's best. Over the past several years, we have conducted employee engagement surveys with outstanding results. We are proud

to be recognized as Best Employers in Canada and Australia from Aon Hewitt. We also received the HR Asia award in Greater China.

We believe that investing in our people is an investment in our future. We provide a range of development opportunities, including our Acceleration and NextGen programs which train the next generation of real estate professionals to be industry leaders. We host intensive, live-in training programs called Global Camps to accelerate global collaboration, business wins and client management. To deliver a strong succession bench, we focus heavily on elevating our people through our Management Development Program. We also partner with Harvard Business School to offer courses designed to optimize our peoples' management skills and propel professional growth.

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### Sustainability

Caring for our environment is an important part of doing what's right. We deliver solutions that create more sustainable and healthier workplaces, helping real estate occupiers, owners and investors realize the benefits of sustainability strategies including cost savings, compliance and improved productivity.

For example, in Canada, 40% of the property management team's portfolio is green building certified. In 2018, the team submitted their first Global Real Estate Sustainability Benchmark (GRESB) report and launched the Green Space brand to unite sustainability efforts.

### Technology

We believe that strategic investments in technologies can enable our experts to deliver smarter, faster and more personalized solutions for our clients. Our proprietary Colliers 360 for corporate users, Colliers Office Expert for occupiers and tenants, Colliers Indsite for industrial users and ColliersCRM for our advisors are examples of our technology strategy in action.

The Colliers PropTech Accelerator powered by Techstars is part of our focus on targeted innovation. This first-ever global PropTech Accelerator combines Techstars expertise in early-stage technology investing with our real estate expertise and global network. The inaugural Class of 2018 was mentored by more than 150 mentors from Colliers and the broader industry. Their program culminated at Demo Day where each presented to an audience of 600 Colliers clients, professionals and industry leaders and technology investors.

### Our Communities

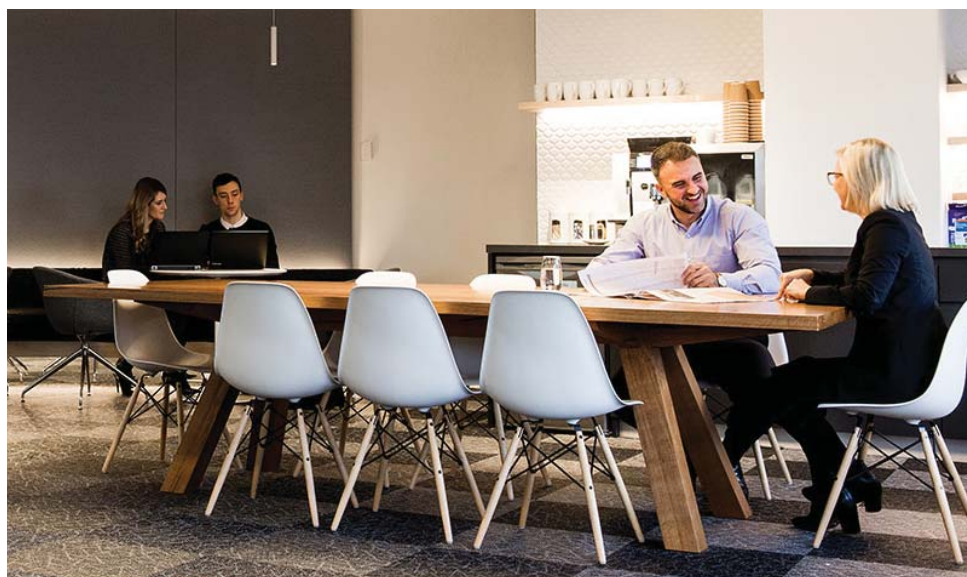
We are passionate about everything we do and that extends to community involvement. As a company, and as individuals, we actively work for the betterment of our local communities. In the spirit of our enterprising nature, our approach to community giving is centered on supporting charities that our people and clients are most passionate about. As an example, in 2018 the Colliers USA Foundation partnered with our teams in California to raise money for those affected by wildfires.



From top left: Colliers Project Leaders, Rotterdam, Netherlands; Colliers office, Sydney, Australia; Colliers Project Leaders, Canadian Parliament Building Rehabilitation, Ottawa, Canada; Colliers Proptech Accelerator Demo Day, Toronto, Canada

## About Colliers International

Colliers International (NASDAQ, TSX: CIGI) is a leading global real estate services and investment management company. With operations in 68 countries, our 14,000 enterprising people work collaboratively to provide expert advice and services to maximize the value of property for real estate occupiers, owners and investors. For more than 20 years, our experienced leadership team, owning more than 40% of our equity, have delivered industry-leading investment returns for shareholders. In 2018, corporate revenues were \$2.8 billion (\$3.3 billion including affiliates), with more than \$26 billion of assets under management.



From top: Colliers offices in: Toronto, Canada and Sydney, Australia



Learn more about how we accelerate success at [corporate.colliers.com](http://corporate.colliers.com), Twitter @Colliers or LinkedIn.



### Global Head Office

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Toronto, Ontario, Canada  
M5S 2B4  
Phone: 416.960.9500

### Registrar & Transfer Agent

TSX Trust Company  
Phone: 1.866.393.4891  
Email: [tmxeinvestorservices@tmx.com](mailto:tmxeinvestorservices@tmx.com)

### Stock Exchange Listing

NASDAQ Global Select Market – CIGI  
Toronto Stock Exchange – CIGI

### Notice of Shareholders Meeting

The annual meeting of the shareholders will be held on Tuesday, April 9, 2019 at 4:00pm ET at The Design Exchange, 234 Bay Street, Toronto-Dominion Centre, Toronto, Ontario, Canada.

[www.colliers.com](http://www.colliers.com)