COLLIERS INTERNATIONAL GROUP INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

Third Quarter

September 30, 2022

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

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Revenues (note 21)	**$ 1,108,324**	$ 1,022,756	**$ 3,237,082**	$ 2,743,664
Cost of revenues (exclusive of depreciation and amortization shown below)	**682,585**	645,123	**2,017,440**	1,689,505
Selling, general and administrative expenses	**269,959**	252,848	**786,953**	695,374
Depreciation	**12,382**	11,440	**36,249**	32,920
Amortization of intangible assets	**32,760**	23,148	**89,630**	74,019
Acquisition-related items (note 7)	**26,290**	14,231	**50,738**	49,773
Settlement of long-term incentive arrangement ("LTIA") (note 17)	**-**	-	**-**	471,928
Loss on disposal of operations (note 5)	**318**	-	**27,358**	-
Operating earnings (loss)	**84,030**	75,966	**228,714**	(269,855)
Interest expense, net	**13,535**	8,300	**29,424**	24,500
Earnings from equity accounted investments	**(755)**	(1,487)	**(4,821)**	(4,625)
Other (income) expense	**1,629**	(114)	**1,505**	(922)
Earnings (loss) before income tax	**69,621**	69,267	**202,606**	(288,808)
Income tax expense (note 18)	**25,097**	18,771	**70,034**	48,490
Net earnings (loss)	**44,524**	50,496	**132,572**	(337,298)
Non-controlling interest share of earnings	**17,375**	13,623	**37,697**	33,148
Non-controlling interest redemption increment (note 14)	**15,121**	18,869	**71,126**	63,180
Net earnings (loss) attributable to Company	**$ 12,028**	$ 18,004	**$ 23,749**	$ (433,626)
Net earnings (loss) per common share (note 15)				
Basic	**$ 0.28**	**$ 0.41**	**$ 0.55**	$ (10.19)
Diluted	**$ 0.27**	**$ 0.40**	**$ 0.54**	$ (10.19)

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

COLLIERS INTERNATIONAL GROUP INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)
(Unaudited)
(in thousands of US dollars)

	Three months ended September 30		Nine months ended September 30	
	2022	**2021**	**2022**	**2021**
Net earnings (loss)	$ **44,524**	$ 50,496	$ **132,572**	$ (337,298)
Change in foreign currency translation	**(13,570)**	(5,093)	**(28,390)**	(8,654)
Reclassification of accumulated foreign currency translation on disposal of operations (note 5)	**820**	-	**19,092**	-
Unrealized gain on interest rate swaps, net of tax	**5,087**	2,024	**6,011**	3,854
Pension liability adjustments, net of tax	**-**	-	**9**	-
Comprehensive earnings (loss)	**36,861**	47,427	**129,294**	(342,098)
Less: Comprehensive earnings attributable to non-controlling interests	**42,226**	32,450	**127,603**	96,633
Comprehensive earnings (loss) attributable to Company	$ **(5,365)**	$ 14,977	$ **1,691**	$ (438,731)

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)

		September 30, 2022		December 31, 2021 (note 2)
Assets				
Current assets				
Cash and cash equivalents	$	190,520	$	396,745
Restricted cash		24,920		28,526
Accounts receivable, net of allowance of $24,940 (December 31, 2021 - $22,413)		481,104		502,416
Contract assets (note 21)		76,150		71,294
Warehouse receivables (note 19)		103,855		174,717
Income tax recoverable		18,724		13,373
Prepaid expenses and other current assets		263,039		339,847
Real estate assets held for sale (note 6)		209,906		44,089
		1,368,218		1,571,007
Other receivables		14,657		12,441
Contract assets (note 21)		5,522		7,647
Other assets		130,440		99,983
Fixed assets		147,817		144,755
Operating lease right-of-use assets		335,072		316,517
Deferred tax assets, net		67,735		68,502
Intangible assets (note 8)		891,464		561,830
Goodwill		1,600,724		1,091,048
		3,193,431		2,302,723
	$	4,561,649	$	3,873,730
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued expenses	$	407,519	$	391,170
Accrued compensation		531,556		691,604
Income tax payable		20,628		35,446
Contract liabilities (note 21)		34,648		30,397
Long-term debt - current (note 9)		2,782		1,458
Contingent acquisition consideration - current (note 19)		31,900		120,246
Warehouse credit facilities (note 11)		96,420		162,911
Operating lease liabilities		79,530		80,928
Liabilities related to real estate assets held for sale (note 6)		120,834		23,095
		1,325,817		1,537,255
Long-term debt (note 9)		1,149,483		529,596
Contingent acquisition consideration (note 19)		42,022		34,425
Operating lease liabilities		318,563		296,633
Other liabilities		91,752		86,064
Deferred tax liabilities, net		57,107		42,371
Convertible notes (note 10)		226,199		225,214
		1,885,126		1,214,303
Redeemable non-controlling interests (note 14)		869,408		536,903
Shareholders' equity				
Common shares		846,634		852,167
Contributed surplus		98,421		79,407
Deficit		(375,685)		(279,724)
Accumulated other comprehensive loss		(92,309)		(70,251)
Total Company shareholders' equity		477,061		581,599
Non-controlling interests		4,237		3,670
Total shareholders' equity		481,298		585,269
	$	4,561,649	$	3,873,730

Commitments and contingencies and subsequent events (note 20 and note 23)

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)

Nine months ended September 30, 2022

	Common shares: Issued and outstanding shares	Common shares: Amount	Contributed surplus	Deficit	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
Balance, December 31, 2021	44,054,744	$ 852,167	$ 79,407	$ (279,724)	$ (70,251)	$ 3,670	$ 585,269
Net earnings	-	-	-	132,572	-	-	132,572
Pension liability adjustment, net of tax	-	-	-	-	9	-	9
Foreign currency translation loss	-	-	-	-	(28,390)	-	(28,390)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	6,011	-	6,011
Other comprehensive earnings attributable to NCI	-	-	-	-	(18,780)	(73)	(18,853)
NCI share of earnings	-	-	-	(37,697)	-	2,023	(35,674)
NCI redemption increment	-	-	-	(71,126)	-	-	(71,126)
Distributions to NCI	-	-	-	-	-	(964)	(964)
Reclass to net earnings on disposal of operations (note 5)	-	-	(93)	-	19,092	(419)	18,580
Subsidiaries' equity transactions	-	-	8,417	-	-	-	8,417
Subordinate Voting Shares:							
Stock option expense	-	-	14,081	-	-	-	14,081
Stock options exercised	240,625	15,754	(3,391)	-	-	-	12,363
Dividends	-	-	-	(6,493)	-	-	(6,493)
Purchased for cancellation (note 15)	(1,087,839)	(21,287)	-	(113,217)	-	-	(134,504)
Balance, September 30, 2022	43,207,530	$ 846,634	$ 98,421	$ (375,685)	$ (92,309)	$ 4,237	$ 481,298

Three months ended September 30, 2022

	Common shares: Issued and outstanding shares	Common shares: Amount	Contributed surplus	Deficit	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
Balance, June 30, 2022	43,276,930	$ 846,953	$ 94,060	$ (381,307)	$ (74,916)	$ 4,165	$ 488,955
Net earnings	-	-	-	44,524	-	-	44,524
Foreign currency translation loss	-	-	-	-	(13,570)	-	(13,570)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	5,087	-	5,087
Other comprehensive earnings attributable to NCI	-	-	-	-	(9,730)	(96)	(9,826)
NCI share of earnings	-	-	-	(17,375)	-	675	(16,700)
NCI redemption increment	-	-	-	(15,121)	-	-	(15,121)
Distributions to NCI	-	-	-	-	-	(355)	(355)
Reclass to net earnings on disposal of operations (note 5)	-	-	-	-	820	(152)	668
Subsidiaries' equity transactions	-	-	(63)	-	-	-	(63)
Subordinate Voting Shares:							
Stock option expense	-	-	4,730	-	-	-	4,730
Stock options exercised	19,000	1,413	(306)	-	-	-	1,107
Purchased for cancellation (note 15)	(88,400)	(1,732)	-	(6,406)	-	-	(8,138)
Balance, September 30, 2022	43,207,530	$ 846,634	$ 98,421	$ (375,685)	$ (92,309)	$ 4,237	$ 481,298

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

Nine months ended September 30, 2021	Common shares: Issued and outstanding shares	Common shares: Amount	Contributed surplus	Retained earnings (deficit)	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
Balance, December 31, 2020	40,189,436	$ 457,993	$ 66,971	$ 119,421	$ (61,979)	$ 3,703	$ 586,109
Net loss	-	-	-	(337,298)	-	-	(337,298)
Foreign currency translation loss	-	-	-	-	(8,654)	-	(8,654)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	3,854	-	3,854
Other comprehensive earnings attributable to NCI	-	-	-	-	(305)	(301)	(606)
NCI share of earnings	-	-	-	(33,148)	-	1,839	(31,309)
NCI redemption increment	-	-	-	(63,180)	-	-	(63,180)
Distributions to NCI	-	-	-	-	-	(782)	(782)
Acquisition of businesses, net	-	-	-	-	-	(42)	(42)
Subordinate Voting Shares:							
Stock option expense	-	-	8,180	-	-	-	8,180
Stock options exercised	266,100	16,307	(3,520)	-	-	-	12,787
Settlement of LTIA	3,572,858	375,742	-	-	-	-	375,742
Dividends	-	-	-	(2,199)	-	-	(2,199)
Balance, September 30, 2021	44,028,394	$ 850,042	$ 71,631	$ (316,404)	$ (67,084)	$ 4,417	$ 542,602

Three months ended September 30, 2021	Common shares: Issued and outstanding shares	Common shares: Amount	Contributed surplus	Deficit	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
Balance, June 30, 2021	43,983,994	$ 846,976	$ 69,634	$ (334,408)	$ (64,057)	$ 4,326	$ 522,471
Net earnings	-	-	-	50,496	-	-	50,496
Foreign currency translation loss	-	-	-	-	(5,093)	-	(5,093)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	2,024	-	2,024
Other comprehensive earnings attributable to NCI	-	-	-	-	42	(174)	(132)
NCI share of earnings	-	-	-	(13,623)	-	502	(13,121)
NCI redemption increment	-	-	-	(18,869)	-	-	(18,869)
Distributions to NCI	-	-	-	-	-	(230)	(230)
Acquisition of businesses, net	-	-	-	-	-	(7)	(7)
Subordinate Voting Shares:							
Stock option expense	-	-	2,658	-	-	-	2,658
Stock options exercised	44,400	3,066	(661)	-	-	-	2,405
Balance, September 30, 2021	44,028,394	$ 850,042	$ 71,631	$ (316,404)	$ (67,084)	$ 4,417	$ 542,602

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 September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
Cash provided by (used in)				
Operating activities				
Net earnings (loss)	**$ 44,524**	$ 50,496	**$ 132,572**	$ (337,298)
Items not affecting cash:				
Depreciation and amortization	**45,142**	34,588	**125,879**	106,939
Settlement of long-term incentive arrangement (note 17)	**-**	-	**-**	375,742
Loss on disposal of operations (note 5)	**318**	-	**27,358**	-
Gains attributable to mortgage servicing rights	**(16,391)**	(5,812)	**(24,214)**	(20,728)
Gains attributable to the fair value of mortgage premiums and origination fees	**(3,264)**	(12,516)	**(14,818)**	(34,799)
Deferred tax	**(5,005)**	(10,953)	**(16,198)**	(33,457)
Earnings from equity accounted investments	**(755)**	(1,487)	**(4,821)**	(4,625)
Stock option expense (note 16)	**4,730**	2,658	**14,081**	8,180
Non-cash lease expense	**4,124**	(1,002)	**2,860**	16,489
Allowance for credit losses	**2,245**	5,668	**6,277**	6,660
Amortization of advisor loans	**7,683**	5,855	**20,464**	16,677
Contingent consideration (note 7)	**20,746**	11,469	**35,741**	40,505
Other	**3,640**	2,616	**8,440**	3,176
Increase in accounts receivable, prepaid expenses and other assets	**(78,228)**	(60,389)	**(416,155)**	(139,622)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	**857**	73,779	**(8,489)**	75,558
Increase (decrease) in accrued compensation	**44,593**	75,911	**(163,642)**	74,234
Contingent acquisition consideration paid	**(8,129)**	-	**(68,939)**	(10,472)
Proceeds received on sale of mortgage loans	**175,903**	374,458	**842,427**	1,969,488
Principal funded on originated mortgage loans	**(240,470)**	(461,783)	**(755,019)**	(1,858,983)
Decrease in warehouse credit facilities	**69,213**	97,339	**(66,491)**	(65,113)
Sales to AR Facility, net (note 12)	**5,364**	11,629	**151,217**	22,521
Net cash provided by (used in) operating activities	**76,840**	192,524	**(171,470)**	211,072
Investing activities				
Acquisitions of businesses, net of cash acquired (note 4)	**(213,491)**	(590)	**(594,089)**	(4,797)
Purchases of fixed assets	**(18,391)**	(11,847)	**(41,807)**	(44,450)
Advisor loans issued	**(12,479)**	(12,625)	**(35,378)**	(29,833)
Purchase of held for sale real estate assets	**-**	(10,101)	**(117,042)**	(10,101)
Proceeds from sale of held for sale real estate assets	**-**	-	**48,505**	-
Collections of AR facility deferred purchase price (note 12)	**88,627**	11,563	**345,056**	34,295
Other investing activities	**57**	(1,522)	**(8,691)**	(5,103)
Net cash used in investing activities	**(155,677)**	(25,122)	**(403,446)**	(59,989)
Financing activities				
Increase in long-term debt	**315,277**	144,210	**990,143**	588,633
Repayment of long-term debt	**(177,642)**	(299,140)	**(315,102)**	(673,630)
Purchases of non-controlling interests' subsidiary shares, net	**2,124**	1,658	**(31,433)**	(20,182)
Contingent acquisition consideration paid	**(13,412)**	-	**(55,623)**	(3,918)
Proceeds received on exercise of stock options	**1,108**	2,405	**12,364**	12,787
Dividends paid to common shareholders	**(6,492)**	(2,200)	**(13,100)**	(4,209)
Distributions paid to non-controlling interests	**(13,179)**	(8,270)	**(54,733)**	(43,498)
Repurchases of Subordinate Voting Shares	**-**	-	**(126,366)**	-
Other financing activities	**(8)**	(165)	**(3,106)**	(165)
Net cash provided by (used in) financing activities	**107,776**	(161,502)	**403,044**	(144,182)
Effect of exchange rate changes on cash	**(19,953)**	(3,996)	**(37,959)**	(4,963)

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

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
Net change in cash, cash equivalents and restricted cash	**8,986**	1,904	**(209,831)**	1,938
Cash, cash equivalents and restricted cash, beginning of period	**206,454**	177,567	**425,271**	177,533
Cash, cash equivalents and restricted cash, end of period	**$ 215,440**	$ 179,471	**$ 215,440**	$ 179,471

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 professional services and investment management to corporate and institutional clients in 34 countries around the world (63 countries including affiliates and franchisees). Colliers' primary service lines are Outsourcing & Advisory, Investment Management, Leasing and Capital Markets. 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. These Financial Statements should be read in conjunction with the audited consolidated financial statements of Colliers for the year ended December 31, 2021.

These Financial Statements follow the same accounting policies as the most recent audited consolidated financial statements, except as related to real estate assets held for sale and as noted in Note 3.

As real estate assets held for sale are generally funded by cash on hand and are expected to be held for a period not to exceed twelve months, management revised its policy regarding the classification of real estate assets held for sale and liabilities related to real estate assets held for sale (collectively "Real Estate Assets HFS") to present them as current on the consolidated balance sheets. In the opinion of management this presentation is more representative and meaningful given the intent of the transactions that give rise to the Real Estate Assets HFS. The change only impacts the presentation of Real Estate Assets HFS on the consolidated balance sheets without any impact on consolidated statements of earnings or the consolidated statements of cash flows. Prior year comparatives in relation to Real Estate Assets HFS have been restated to present as current to improve comparability with 2022 following the change in policy.

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 September 30, 2022 and the results of operations and its cash flows for the three and nine months ended September 30, 2022 and 2021. All such adjustments are of a normal recurring nature. The results of operations for the nine-month period ended September 30, 2022, are not necessarily indicative of the results to be expected for the year ending December 31, 2022.

3. Impact of recently issued accounting standards

Recently adopted accounting guidance

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 Company adopted the guidance effective January 1, 2022. The adoption of the standard did not have a material impact on the Company's consolidated financial statements.

Reference Rate Reform
The FASB has issued two ASUs 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 various tenors of the London Interbank Offered Rates ("LIBOR") being discontinued between December 31, 2021 and June 30, 2023, a significant volume of contracts and other arrangements will be impacted by the transition required to alternative reference rates. The ASUs 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 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 ASUs to facilitate an orderly transition to alternative reference rates and their potential impacts on its consolidated financial statements and disclosures.

4. Acquisitions

During the nine months ended September 30, 2022, the Company acquired controlling interests in eight businesses.

In March 2022, the Company acquired two businesses operating in the Americas (a civil engineering, design and survey firm headquartered in San Antonio, Texas and the Colliers affiliate for Cincinnati and Cleveland, Ohio)

In April 2022, the Company completed the acquisition of controlling interest in Antirion SGR S.p.A. ("Antirion"), a real estate investment management firm in Italy and its Italy affiliate in EMEA (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.).

In May 2022, the Company acquired a building consultancy and project management firm in EMEA (United Kingdom).

In June 2022, the Company acquired a 75% interest in Basalt Infrastructure Partners LLP ("Basalt"), a transatlantic infrastructure investment management firm, based in London, operating in North America and Europe across the communications, transportation, energy / power, and utilities sub-sectors.

In July 2022, the Company acquired a 65% interest in Rockwood Capital, LLC ("Rockwood"), a U.S. real estate investment management firm with offices in New York, Los Angeles, and San Francisco.

In August 2022, the Company acquired a controlling interest in PEAKURBAN Pty Limited, an engineering and design firm in Asia Pacific (Australia).

As of September 30, 2022, the Company has not completed its analysis to assign fair values to all the identifiable intangible and tangible assets acquired in 2022 and, therefore, the Company may further refine the purchase price allocations for some of the 2022 business acquisitions during the open measurement periods. The acquisition date fair value of consideration transferred, and the preliminary purchase price allocation was as follows:

	Basalt	Rockwood	Other	Aggregate Acquisitions
Current assets, excluding cash	$ 1,203	$ 2,476	$ 31,315	**$ 34,994**
Non-current assets	2,692	7,898	19,969	**30,559**
Current liabilities	20,572	9,818	31,588	**61,978**
Long-term liabilities	5,151	4,019	45,952	**55,122**
	$ (21,828)	$ (3,463)	$ (26,256)	**$ (51,547)**
Cash consideration, net of cash acquired of $82,606	$ 277,596	$ 186,445	$ 130,048	**$ 594,089**
Acquisition date fair value of contingent consideration	12,824	6,197	21,155	**40,176**
Total purchase consideration	$ 290,420	$ 192,642	$ 151,203	**$ 634,265**
Acquired intangible assets (note 8)				
Finite life	$ 165,000	$ 106,000	$ 155,688	**$ 426,688**
Goodwill	$ 251,523	$ 198,862	$ 127,552	**$ 577,937**
Redeemable non-controlling interest	$ 104,275	$ 108,757	$ 105,781	**$ 318,813**

Certain balances included in the assets and liabilities reported for June 30, 2022 were updated for changes to the estimated fair values in the preliminary purchase price allocation. The change primarily consisted of a decrease in the estimated fair value of intangible assets acquired of $12,903 which resulted in an increase to goodwill. The Company's Consolidated Statements of Earnings for previously reported periods was not materially impacted by these changes. During the nine months ended September 30, 2022, the Company made no adjustments to its purchase consideration for acquisitions completed in 2021.

The purchase price allocations of acquisitions resulted in the recognition of goodwill. The primary factors contributing to goodwill are future growth prospects, assembled workforces and synergies with existing operations. For acquisitions completed during the nine months ended September 30, 2022, goodwill in the amount of $474,311 is deductible for income tax purposes (December 31, 2021 - $2,678).

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 September 30, 2022, was $73,922 (December 31, 2021 - $154,671). See note 19 for discussion on the fair value of contingent consideration. Contingent consideration where the seller is required to remain employed to be entitled to payment is considered to have a compensatory element and 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, 2022, was $42,597 (December 31, 2021 - $13,607). 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 $344,456 to a maximum of $403,655. These contingencies will expire during the period extending to May 2027.

5. Business disposals

The Company discontinued its operations in Russia in March 2022, by way of a sale of its controlling interests to local management. The Company also sold three individually insignificant operations during the nine month period ended September 30, 2022 (EMEA - Morocco and Americas – Panama, Colombia). The proceeds received from the disposals were de minimus and during the three and nine months periods the Company recognized an aggregated loss on disposal of operations in the amount of $318 and $27,358 respectively.

The table below summarizes the change in the Company's assets related to the disposal of operations and the calculation of the loss on disposal:

		Aggregate Disposals
Current assets, excluding cash	$	**8,302**
Non-current assets, excluding goodwill		**4,281**
Goodwill		**7,052**
Current liabilities	$	**(9,018)**
Non-current liabilities		**(2,830)**
Redeemable non-controlling interest	$	**(2,361)**
Net assets of disposed operations, excluding cash		**5,426**

The below table summarizes the calculation of the loss on disposal of operations:

Cash consideration, net of disposed cash	$	**(3,352)**
Net assets of disposed operations, excluding cash		**5,426**
Reclasses from Shareholder's equity to net earnings:		
Contributed surplus		**93**
Non-controlling interest		**419**
Accumulated foreign currency translation		**(19,092)**
Loss on disposal of operations	**$**	**(27,358)**

6. Real estate assets held for sale

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

In December 2021, the Company acquired a controlling interest in a portfolio of land and buildings located in the United States and associated liabilities from an unrelated party (the "2021 RE Assets"). The Company sold the 2021 RE Assets to a newly established closed-end fund which is managed by the Company, without gain or loss, during the second quarter of 2022.

In May 2022, the Company acquired controlling interests in a portfolio of land and buildings located in the United States and associated liabilities from unrelated parties (the "May 2022 RE Assets"). The Company sold the May 2022 RE Assets to a newly established closed-end fund which is managed by the Company, without gain or loss, during the second quarter of 2022.

In June 2022, the Company acquired controlling interests in two portfolios of land and buildings located in the United States and associated liabilities from unrelated parties (the "June 2022 RE Assets"). The Company expects to sell the June 2022 RE Assets to a newly established closed-end fund which is managed by the Company, without gain or loss, during the last quarter of 2022.

As is customary for closed-end funds, the Company has a limited partner equity interest of between 1% and 2%.

During the period ended September 30, 2022, the effect on net earnings related to real estate assets held for sale was nil (2021 - nil).

The following table summarizes the real estate assets and associated liabilities held for sale.

		As at September 2022		As at December 31, 2021
Real estate assets held for sale				
Real estate assets held for sale - current	$	**209,906**	$	**44,089**
Liabilities related to real estate assets held for sale - current	$	**120,834**	$	**23,095**
Net real estate assets held for sale	$	**89,072**	$	**20,994**

7. Acquisition-related items

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
Transaction costs	**$ 5,544**	$ 2,762	**$ 14,997**	$ 9,268
Contingent consideration fair value adjustments (note 19)	**16**	9,854	**4,902**	36,077
Contingent consideration compensation expense	**20,730**	1,615	**30,839**	4,428
	$ 26,290	$ 14,231	**$ 50,738**	$ 49,773

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:

September 30, 2022	**Gross carrying amount**	**Accumulated amortization**	**Net**
Indefinite life intangible assets:			
Licenses	$ 29,200	$ -	**$ 29,200**
Trademarks and trade names	22,972	-	**22,972**
	$ 52,172	$ -	**$ 52,172**
Finite life intangible assets:			
Customer lists and relationships	$ 410,828	$ 167,448	**$ 243,380**
Investment management contracts	586,073	112,648	**473,425**
Mortgage servicing rights ("MSRs")	162,888	61,100	**101,788**
Franchise rights	1,087	1,075	**12**
Trademarks and trade names	21,156	6,836	**14,320**
Management contracts and other	17,119	12,227	**4,892**
Backlog	7,115	5,640	**1,475**
	$ 1,206,266	$ 366,974	**$ 839,292**
	$ 1,258,438	$ 366,974	**$ 891,464**

December 31, 2021	Gross carrying amount	Accumulated amortization	Net
Indefinite life intangible assets:			
Licenses	$ 29,200	$ -	$ 29,200
Trademarks and trade names	23,804	-	23,804
	$ 53,004	$ -	$ 53,004
Finite life intangible assets:			
Customer lists and relationships	$ 352,860	$ 152,026	$ 200,834
Investment management contracts	270,600	85,012	185,588
Mortgage servicing rights ("MSRs")	147,878	41,455	106,423
Franchise rights	1,185	1,092	93
Trademarks and trade names	12,600	4,861	7,739
Management contracts and other	17,606	11,057	6,549
Backlog	2,400	800	1,600
	$ 805,129	$ 296,303	$ 508,826
	$ 858,133	$ 296,303	$ 561,830

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 MSR assets are evaluated quarterly for impairment by stratifying the servicing portfolio according to predominant risk characteristics, primarily investor type and interest rate. An impairment is recorded if the carrying value of an individual stratum exceeds its estimated fair value. There was no impairment recorded for the nine-month period ended September 30, 2022.

The following table summarizes activity related to the Company's mortgage servicing rights for the nine months ended September 30, 2022.

		2022
Balance, January 1	**$**	**106,423**
Additions, following the sale of loan		**15,010**
Amortization		**(11,231)**
Prepayments and write-offs		**(8,414)**
Balance, September 30	**$**	**101,788**

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

For the year ended December 31,		MSRs		Other Intangibles		**Total**
2022 (remaining three months)	$	2,907	$	25,870	**$**	**28,777**
2023		10,572		95,311		**105,883**
2024		9,681		87,107		**96,788**
2025		8,969		78,523		**87,492**
2026		8,495		74,909		**83,404**
2027		7,819		69,239		**77,058**
Thereafter		53,345		306,545		**359,890**
	$	101,788	$	737,504	**$**	**839,292**

9. Long-term debt

On May 27, 2022, the Company amended and extended the multi-currency, sustainability-linked senior unsecured revolving credit facility (the "Revolving Credit Facility") of $1,500,000. The Revolving Credit Facility has a 5-year term ending May 27, 2027, and bears interest at an applicable margin of 1.125% to 2.5% over floating reference rates, depending on financial leverage ratios. The applicable margin may be adjusted, annually, plus or minus 0.05% subject to achieving certain sustainability metrics. The weighted average interest rate on borrowings under the Revolving Credit Facility for the three months ended September 30, 2022 was 3.5% (2021 – 1.5%). The Revolving Credit Facility had $816,147 of available undrawn credit as at September 30, 2022 ($988,167 as at December 31, 2021). As at September 30, 2022, letters of credit in the amount of $11,854 were outstanding against the Revolving Credit Facility ($11,833 as at December 31, 2021). The Revolving Credit Facility requires a commitment fee of 0.11% to 0.35% of the unused portion, depending on financial 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 due 2028"), which are held by a group of institutional investors. The Senior Notes due 2028 have a 10-year term ending May 30, 2028.

The Company also has outstanding €125,000 and $150,000 of senior unsecured notes with fixed interest rates of 1.52% and 3.02%, respectively (the "Senior Notes due 2031"), which are held by a group of institutional investors. The Senior Notes due 2031 have a 10-year term ending October 7, 2031.

The Revolving Credit Facility, Senior Notes due 2028, and Senior Notes due 2031 rank equally in terms of seniority and have similar financial covenants, including leverage and interest coverage. The Company was in compliance with all covenants as of September 30, 2022. The Company is limited from undertaking certain mergers, acquisitions and dispositions without prior approval.

10. Convertible notes

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

The Convertible Notes may be converted at the holder's option 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. On December 7, 2021, the Company increased its semi-annual dividend on the outstanding Subordinate Voting Shares and Multiple Voting Shares from $0.05 to $0.15 per share. On May 17, 2022, the Company declared its semi-annual dividend of $0.15 per share. This modified the conversion rate to 17.2783 Subordinate Voting Shares per $1,000 principal amount of Convertible Notes, which represents a conversion price of $57.88 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, at the time, the Company incurred financing costs of $6,795 which are being amortized over five years using the effective interest rate method. For the quarter ended September 30, 2022, there was $333 of financing fee amortization included in interest expense within the accompanying Consolidated Statements of Earnings. The effective interest rate on the Convertible Notes is approximately 4.7%.

11. Warehouse credit facilities

The following table summarizes the Company's mortgage warehouse credit facilities as at September 30, 2022:

		September 30, 2022		December 31, 2021	
	Current Maturity	**Maximum Capacity**	**Carrying Value**	Maximum Capacity	Carrying Value
Facility A - SOFR plus 1.70%	October 19, 2022	**$ 125,000**	**$ 32,574**	$ 125,000	$ 70,694
Facility B - SOFR plus 1.70%	On demand	**125,000**	**19,711**	125,000	49,860
Facility C - SOFR plus 1.60%	April 27, 2023	**150,000**	**44,135**	150,000	42,357
		$ 400,000	**$ 96,420**	$ 400,000	$ 162,911

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

On May 26, 2022, Colliers Mortgage entered into an amendment to the financing agreement for Facility C modifying the interest rate to SOFR plus 1.6% and maturity date to April 27, 2023, with an option to extend to April 27, 2024.

See note 23 related to the renewal of Facility A.

12. AR Facility

In April 2019, the Company entered into a structured accounts receivable facility (the “AR Facility”). 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 in turn sell the Receivables to a third-party financial institution (the “Purchaser”).

On April 25, 2022, the Company renewed its AR Facility with two third-party financial institutions and expanded the committed availability to $150,000, from $125,000, with a term of 364 days extending to April 24, 2023. As of September 30, 2022, the Company’s draw under the AR Facility was $149,944.

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 of the Receivables to the Purchaser, the Receivables are legally isolated from the Company and its wholly owned special purpose entities. The AR Facility is recorded as a sale of accounts receivable, and accordingly sold receivables are derecognized from the consolidated balance sheet. The Company continues to service, administer and collect the Receivables on behalf of the Purchaser, and recognizes a servicing liability in accordance with ASC 860. The Company has elected the amortization method for subsequent measurement of the servicing liability, which is assessed for changes in the obligation at each reporting date. As of September 30, 2022, 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 nine months ending September 30, 2022, Receivables sold under the AR Facility were $1,513,665 and cash collections from customers on Receivables sold were $1,480,550, 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 September 30, 2022, the outstanding principal on trade accounts receivable, net of Allowance for Doubtful Accounts, sold under the AR Facility was $194,039; and the outstanding principal on contract assets, current and non-current, sold under the AR Facility was $91,377. See note 19 for fair value information on the DPP.

For the nine months ended September 30, 2022, the Company recognized a loss related to Receivables sold of $205 (2021 - $98 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 nine months ended September 30, 2022, were $217,504.

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

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

	September 30, 2022	December 31, 2021
Equity accounted investments	**$ 22,977**	$ 16,550
Co-investment commitments	**18,987**	20,284
Maximum exposure to loss	**$ 41,964**	$ 36,834

14. 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:

		2022
Balance, January 1	$	**536,903**
RNCI share of earnings		**35,675**
RNCI redemption increment		**71,126**
Distributions paid to RNCI		**(53,854)**
Purchase of interests from RNCI		**(42,872)**
Sale of interests to RNCI		**6,224**
Disposal of operations (note 5)		**(2,361)**
RNCI recognized on business acquisitions		**318,813**
Other		**(246)**
Balance, September 30	$	**869,408**

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 September 30, 2022, was $833,750 (December 31, 2021 - $513,291). 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 September 30, 2022, approximately 7,550,000 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.

15. Net earnings (loss) per common share

The earnings per share calculation cannot be anti-dilutive, therefore diluted shares is not used in the denominator when the numerator is in a loss position.

Diluted EPS is calculated using the "if-converted" method of calculating earnings per share in relation to the Convertible Notes, which were issued on May 19, 2020. As such, the interest (net of income tax) on the Convertible Notes is added to the numerator and the additional shares issuable on conversion of the Convertible Notes are added to the denominator of the earnings per share calculation to determine if an assumed conversion is more dilutive than no assumption of conversion. The "if-converted" method is used if the impact of the assumed conversion is dilutive. The "if-converted" method is anti-dilutive for the three and nine-month periods ended September 30, 2021 and 2022.

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

(in thousands)	Three months ended September 30 2022	2021	Nine months ended September 30 2022	2021
Net earnings (loss) attributable to Company	**$ 12,028**	$ 18,004	**$ 23,749**	$ (433,626)
After-tax interest on Convertible Notes	**-**	-	**-**	-
Adjusted numerator considering the If-Converted Method	**$ 12,028**	$ 18,004	**$ 23,749**	$ (433,626)
Weighted average common shares - Basic	**43,283**	44,003	**43,558**	42,543
Exercise of stock options	**487**	751	**589**	-
Conversion of Convertible Notes	**-**	-	**-**	-
Weighted average common shares - Diluted	**43,770**	44,754	**44,147**	42,543

On July 16, 2021, the Company announced the approval by the Toronto Stock Exchange of its notice to implement a normal course issuer bid (the "2021/2022 NCIB"). The 2021/2022 NCIB allowed the Company to purchase for cancellation, up to 3,200,000 Subordinate Voting Shares. The 2021/2022 NCIB commenced on July 20, 2021 and expired on July 19, 2022.

On July 15, 2022, the Company announced the approval by the Toronto Stock Exchange of its notice to implement a normal course issuer bid (the "2022/2023 NCIB"). The 2022/2023 NCIB allows the Company to purchase for cancellation, up to 3,500,000 Subordinate Voting Shares. The 2022/2023 NCIB commenced on July 20, 2022 and is set to expire on July 19, 2023.

During the period from March 3, 2022, to April 25, 2022, the Company repurchased 999,439 Subordinate Voting Shares for total consideration of $126,366.

During the period from September 28, 2022, to September 30, 2022, the Company repurchased 88,400 Subordinate Voting Shares for total consideration of $8,138.

The repurchase cost of shares under the NCIBs, including commissions and fees, were allocated to common shares for the weighted average book value and to retained earnings for any excess. Under the NCIBs all shares were purchased for cancellation. See note 23.

16. 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. 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 September 30, 2022, there were 1,627,050 options available for future grants.

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

There were 78,750 stock options granted during the nine months ended September 30, 2022 (2021- 50,000). Stock option activity for the nine months ended September 30, 2022 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, 2021	2,550,875	$ 89.34		
Granted	78,750	119.88		
Exercised	(240,625)	51.38		
Forfeited	(6,500)	126.76		
Shares issuable under options - September 30, 2022	2,382,500	$ 94.08	2.7	$ 26,748
Options exercisable - September 30, 2022	970,689	$ 76.89	1.7	$ 17,759

The amount of compensation expense recorded in the statement of earnings for the nine months ended September 30, 2022 was $14,081 (2021 - $8,180). As of September 30, 2022, there was $23,660 of unrecognized compensation cost related to non-vested awards which is expected to be recognized over the next 4 years. During the nine-month period ended September 30, 2022, the fair value of options vested was $4,892 (2021 - $4,999).

17. Long-term incentive arrangement

On April 16, 2021, after receiving approval from 95% of disinterested shareholders, the Company settled the Management Services Agreement (the "MSA"), including the Long-Term Incentive Arrangement (the "LTIA"), originally entered into on February 1, 2004 between the Company, Jay S. Hennick (the Company's Chairman & Chief Executive Officer) and Jayset Management CIG Inc., a corporation controlled by Mr. Hennick (the "Transaction"). In addition, the Transaction established an orderly timeline for the elimination of the Company's dual class voting structure by no later than September 1, 2028. The Company, under the terms of the Transaction (a) paid US$96,200 (C$120,300) in cash and (b) issued a total of 3,572,858 Subordinate Voting Shares to an entity controlled by Mr. Hennick. The total purchase price was determined by applying the formula provided in the existing MSA for the LTIA using a price of US$106.40 per share (which is the volume weighted average price of the Subordinate Voting Shares on the Toronto Stock Exchange for the period from February 11, 2021, through to and including February 25, 2021, converted to US dollars). Subsequent to the completion of the Transaction, the MSA was terminated thereby eliminating the LTIA and all future fees and other entitlements owing thereafter. The settlement of the LTIA was considered a modification of a share-based payment arrangement, which was accounted for as compensation expense and presented separately as settlement of long-term incentive arrangement in the Company's Consolidated Statements of Earnings. The net cash impact was included in operating activities in the Company's Consolidated Statements of Cash Flows.

18. Income tax

The provision for income tax for the nine months ended September 30, 2022, reflected an effective tax rate of 34.6% (2021 - negative 16.8%) relative to the combined statutory rate of approximately 26.5% (2021 - 26.5%). The current year's rate was impacted by the loss on disposal of the Company's controlling interest in its Russian operations, which was not tax deductible. The current year's rate was also impacted by the accounting amortization of intangibles and acquisition related items associated with the investment in a U.K. flowthrough entity, on which no tax benefit was recognizable. The prior year's rate was negatively impacted by the settlement of the long-term incentive arrangement. The settlement and its related costs were not tax deductible.

19. Financial instruments

Fair values of financial instruments

The following table provides the financial assets and liabilities carried at fair value measured on a recurring basis as of September 30, 2022:

	Level 1	Level 2	Level 3
Assets			
Cash equivalents	$ 4,539	$ -	$ -
Equity securities	9,845	6	-
Debt securities	-	17,358	-
Mortgage derivative assets	-	-	37,248
Warehouse receivables	-	103,855	-
Interest rate swap assets		6,068	-
Deferred Purchase Price on AR Facility	-	-	108,790
Total assets	$ 14,384	$ 127,287	$ 146,038
Liabilities			
Mortgage derivative liabilities	$ -	$ -	$ 17,409
Contingent consideration liabilities	-	-	73,922
Total liabilities	$ -	$ -	$ 91,331

There were no significant non-recurring fair value measurements recorded during the quarter ended September 30, 2022.

Other than the transfer of mortgage derivative assets and mortgage derivative liabilities from Level 2 to Level 3 as described in the Mortgage related derivatives section below, there were no transfers between any of the levels within the fair value hierarchy during the quarter ended September 30, 2022.

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.

Debt and equity securities

The Company records debt and equity securities 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.

Mortgage-related derivatives

Interest rate lock commitments and forward sales commitment are derivative instruments which consider observable market data in determining their fair values, 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. The Company also considers the impact of counterparty non-performance risk when measuring the fair value of these derivatives.

Given the rapid changes to interest rates and their effect on the fair value of the expected net cash flows associated with the servicing of the loans combined with heightened economic risks for counterparties, the Company believes that the fair value of the expected net cash flows associated with the servicing of the loans and counterparty non-performance risk have the potential to impact the value of its derivative assets and derivative liabilities that may not continue to be insignificant. Consequently, the mortgage derivative assets valued at $37,248 and mortgage derivative liabilities valued at $17,409 have been transferred from Level 2 to Level 3 of the fair value hierarchy for the period ended September 30,

2022. Given the credit quality of the Company's counterparties, the short duration of interest rate lock commitments and forward sale commitments and the Company's historical experience, management does not believe the risk of non-performance is significant. An increase in counterparty non-performance risk assumptions would result in a lower fair value measurement.

Warehouse receivables

Warehouse receivables represent mortgage loans originated by the Company with commitments to sell to third party investors. Principal funded on mortgage loans plus gains attributable to the fair value of mortgage premiums and origination fees increase warehouse receivables and proceeds received from the sale of mortgage loans to third party investors reduce warehouse receivables. As at September 30, 2022, substantially all of the Company's mortgage warehouse receivables were under commitment to be purchased by a GSE or by a qualifying investor. These assets are classified as Level 2 in the fair value hierarchy as a substantial majority of the inputs are readily observable.

AR Facility deferred purchase price ("DPP")

The Company recorded a DPP under its AR Facility. The DPP represents the difference between the fair value of the Receivables sold and the cash purchase price and is recognized at fair value as part of the sale transaction. The DPP is remeasured each reporting period in order to account for activity during the period, including the seller's interest in any newly transferred Receivables, collections on previously transferred Receivables attributable to the DPP and changes in estimates for credit losses. Changes in the DPP attributed to changes in estimates for credit losses are expected to be immaterial, as the underlying Receivables are short-term and of high credit quality. The DPP is valued using Level 3 inputs, primarily discounted cash flows, with the significant inputs being discount rates ranging from 2.5% to 5.0% depending upon the aging of the Receivables. See note 12 for information on the AR Facility.

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

	2022
Balance, January 1	$ 238,835
Additions to DPP	217,504
Collections on DPP	(345,056)
Fair value adjustment	(205)
Foreign exchange and other	(2,288)
Balance, September 30	$ 108,790

Interest rate swaps

In December 2018, the Company entered into interest rate swap agreements (the "2018 IRS") 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 2018 IRS have a maturity date of April 30, 2023. The 2018 IRS are measured at fair value on the consolidated balance sheets. In May 2022, the Company amended the 2018 IRS to convert SOFR floating interest rates into a weighted average fixed interest rate of 2.6026%.

At the inception of the 2018 IRS, the Company designated each swap as a cash flow hedge. From inception until June 30, 2021, each of the 2018 IRS were determined to be effective with changes in the fair value recognized to accumulated other comprehensive earnings (loss).

On July 1, 2021, the Company dedesignated the hedging relationships. Gains or losses related to changes in the fair value of the 2018 IRS after July 1, 2021, are reported in interest expense on the consolidated statements of earnings.

As at June 30, 2021, $5,595 of cumulative losses were reported in accumulated other comprehensive earnings (loss). This accumulated other comprehensive loss will be recognized to interest expense commensurate with when the forecasted cash flows originally designated as a hedge affect earnings, or earlier if it is probable these forecasted cash flows will not occur. In the three months and nine months ended September 30, 2022, $644 and $1,889 of the accumulated other comprehensive loss, respectively, was included in interest expense on the consolidated statements of earnings.

On July 15, 2022, the Company entered into interest rate swap agreements (the "2022 IRS") to convert the SOFR floating interest rate on $150,000 of US dollar denominated debt into a fixed interest rate of 2.802% plus applicable margin. The 2022 IRS have a maturity of May 27, 2027. 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 2022 IRS, which are determined to be effective as hedges, are reported in other comprehensive income.

Contingent acquisition consideration

The inputs to the measurement of the fair value of contingent consideration related to acquisitions are Level 3 inputs. The fair value measurements were made using a discounted cash flow model; significant model inputs were expected future operating cash flows (determined with reference to each specific acquired business) and discount rates (which range from 2.1% to 9.5%, with a weighted average of 4.8%). The wide range of discount rates is attributable to the level of risk related to economic growth factors combined with the length of the contingent payment periods; and the dispersion was driven by unique characteristics of the businesses acquired and the respective terms for these contingent payments. A 2% increase in the weighted average discount rate would reduce the fair value of contingent consideration by $2,200.

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

		2022
Balance, January 1	$	**154,671**
Amounts recognized on acquisitions		**40,176**
Fair value adjustments (note 7)		**4,902**
Resolved and settled in cash		**(122,809)**
Other		**(3,018)**
Balance, September 30	$	**73,922**
Less: current portion	$	**31,900**
Non-current portion	$	**42,022**

The carrying amounts for cash, restricted cash, accounts receivable, accounts payable, advisor loans, other receivables and accrued liabilities approximate their estimated fair values due to the short-term nature of these instruments, unless otherwise indicated. The carrying value of the Company's Revolving Credit Facility and other short-term borrowings approximate their estimated fair value due to their short-term nature and variable interest rate terms. These fair value measurements use a net present value approach; significant model inputs were expected future cash outflows and discount rates which are Level 3 inputs within the fair value hierarchy.

The carrying amount and the estimated fair value of Senior Notes and Convertible Notes are presented in the table below. Interest rate yield curves, interest rate indices and market prices (Level 2 inputs within the fair value hierarchy) are used in determining the fair value of the Senior Notes and Convertible Notes.

	September 30, 2022		December 31, 2021	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Senior Notes	**$ 476,208**	**$ 394,613**	$ 529,089	$ 548,440
Convertible Notes	**226,199**	**364,258**	225,214	590,193

20. Commitments and Contingencies

Acquisition Commitments

In September 2022, The Company entered into an agreement to acquire a controlling interest in Pangea Property Partners ("Pangea"), a capital markets advisor in Sweden and Norway. It is expected that the acquisition will be accounted for using the acquisition method of accounting for business combinations. The transaction is expected to close in the fourth quarter of 2022, subject to applicable closing conditions including regulatory approval, for an aggregate initial cash purchase price of $67,000.

Claims and Litigation

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.

Contingencies associated with US government sponsored enterprises

Colliers Mortgage is 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 19, 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 September 30, 2022, the Company has funded and sold loans subject to such loss sharing obligations with an aggregate unpaid principal balance of approximately $4,446,000. As at September 30, 2022, the Loss Reserve was $15,797 (December 31, 2021 - $15,807) and was included within Other liabilities on the Consolidated Balance Sheets.

Pursuant to its licenses with Fannie Mae, Ginnie Mae and HUD, Colliers Mortgage 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 Colliers Mortgage 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 September 30, 2022, Colliers Mortgage was in compliance with all such requirements.

21. Revenue

Disaggregated revenue

Colliers has disaggregated its revenue from contracts with customers by type of service and operating segment as presented in the following table. In prior quarters, revenues from engineering and design services and project management services ("E&D and Project Management") were combined with Property management revenues under the Property Services label.

	Americas	EMEA	Asia Pacific	Investment Management	Corporate	Consolidated
Three months ended September 30,						
2022						
Leasing	**$ 210,551**	**$ 32,065**	**$ 31,098**	**$ -**	**$ -**	**$ 273,714**
Capital Markets	**194,687**	**38,378**	**42,641**	**-**	**-**	**275,706**
E&D and Project management	**133,629**	**46,580**	**22,956**	**-**	**-**	**203,165**
Property management	**74,292**	**15,979**	**30,809**	**-**	**-**	**121,080**
Valuation and advisory	**60,634**	**30,256**	**22,120**	**-**	**-**	**113,010**
IM - Advisory and other	**-**	**-**	**-**	**96,070**	**-**	**96,070**
IM - Incentive Fees	**-**	**-**	**-**	**-**	**-**	**-**
Other	**21,265**	**940**	**3,221**	**-**	**153**	**25,579**
Total Revenue	**$ 695,058**	**$ 164,198**	**$ 152,845**	**$ 96,070**	**$ 153**	**$ 1,108,324**
2021						
Leasing	$ 174,998	$ 34,716	$ 33,176	$ -	$ -	$ 242,890
Capital Markets	213,412	40,384	56,852	-	-	310,648
E&D and Project management	89,435	31,792	18,912	-	-	140,139
Property management	67,616	17,786	36,488	-	-	121,890
Valuation and advisory	52,501	29,006	23,126	-	7	104,640
IM - Advisory and other	12	-	-	59,672	-	59,684
IM - Incentive Fees	-	-	-	18,591	-	18,591
Other	19,124	1,253	3,749	-	148	24,274
Total Revenue	$ 617,098	$ 154,937	$ 172,303	$ 78,263	$ 155	$ 1,022,756
Nine months ended September 30,						
2022						
Leasing	**$ 613,746**	**$ 97,975**	**$ 76,661**	**$ -**	**$ -**	**$ 788,382**
Capital Markets	**610,929**	**117,451**	**109,502**	**-**	**-**	**837,882**
E&D and Project management	**385,797**	**127,918**	**55,462**	**-**	**-**	**569,177**
Property management	**217,583**	**49,816**	**98,347**	**-**	**-**	**365,746**
Valuation and advisory	**184,774**	**90,412**	**64,936**	**-**	**-**	**340,122**
IM - Advisory and other	**-**	**-**	**-**	**230,944**	**-**	**230,944**
IM - Incentive Fees	**-**	**-**	**-**	**26,630**	**-**	**26,630**
Other	**64,638**	**3,222**	**9,921**	**21**	**397**	**78,199**
Total Revenue	**$ 2,077,467**	**$ 486,794**	**$ 414,829**	**$ 257,595**	**$ 397**	**$ 3,237,082**
2021						
Leasing	$ 489,183	$ 94,187	$ 80,437	$ -	$ -	$ 663,807
Capital Markets	531,735	122,913	132,110	-	-	786,758
E&D and Project management	256,519	79,204	55,552	-	-	391,275
Property management	205,699	52,692	112,584	-	-	370,975
Valuation and advisory	143,893	87,019	63,486	-	7	294,405
IM - Advisory and other	12	-	-	154,776	-	154,788
IM - Incentive Fees	-	-	-	18,591	-	18,591
Other	48,603	3,606	10,403	-	453	63,065
Total Revenue	$ 1,675,644	$ 439,621	$ 454,572	$ 173,367	$ 460	$ 2,743,664

Revenue associated with the Company's debt finance and loan servicing operations are outside the scope of ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). In the three months and nine months ended September 30, 2022, $37,174 and $91,647 of revenue, respectively, was excluded from the scope of ASC 606 (2021 - $35,752 and $99,479). These revenues were included entirely within the Americas segment within Capital Markets and Other revenue.

Contract balances

As at September 30, 2022, the Company had contract assets totaling $81,672 of which $76,150 was current ($78,941 as at December 31, 2021 - of which $71,294 was current). During the nine months ended September 30, 2022, approximately 87% of the current contract assets were moved to accounts receivable or sold under the AR Facility (Note 12).

As at September 30, 2022, the Company had contract liabilities (all current) totaling $34,648 ($30,397 as at December 31, 2021). Revenue recognized for the nine months ended September 30, 2022, totaled $25,960 (2021 - $18,426) that was included in the contract liability balance at the beginning of the year.

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

22. 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 and, for the nine months period ended September 30, 2021, also the settlement of the LTIA (see note 17). Operating earnings (loss) for the three and nine-month periods ended September 30, 2022, include losses on disposal of the Company's operations of $318 and $27,358 respectively, substantially all of which were in EMEA (see note 5).

OPERATING SEGMENTS

	Americas	EMEA	Asia Pacific	Investment Mgmt	Corporate	Consolidated
Three months ended September 30						
2022						
Revenues	**$ 695,058**	**$ 164,198**	**$ 152,845**	**$ 96,070**	**$ 153**	**$ 1,108,324**
Depreciation and amortization	**21,274**	**6,527**	**2,361**	**14,161**	**819**	**45,142**
Operating earnings (loss)	**59,945**	**6,098**	**17,451**	**19,515**	**(18,979)**	**84,030**
2021						
Revenues	$ 617,098	$ 154,937	$ 172,303	$ 78,263	$ 155	$ 1,022,756
Depreciation and amortization	18,843	5,579	2,345	6,825	996	34,588
Operating earnings (loss)	48,879	11,399	18,342	19,812	(22,466)	75,966

	Americas	EMEA	Asia Pacific	Investment Mgmt	Corporate	Consolidated
Nine months ended September 30						
2022						
Revenues	**$2,077,467**	**$ 486,794**	**$ 414,829**	**$ 257,595**	**$ 397**	**$ 3,237,082**
Depreciation and amortization	**66,949**	**19,989**	**6,217**	**30,346**	**2,378**	**125,879**
Operating earnings (loss)	**202,360**	**(20,473)**	**43,234**	**55,886**	**(52,293)**	**228,714**
2021						
Revenues	$ 1,675,644	$ 439,621	$ 454,572	$ 173,367	$ 460	$ 2,743,664
Depreciation and amortization	58,300	17,035	8,395	20,340	2,869	106,939
Operating earnings (loss)	154,970	24,703	46,742	43,900	(540,170)	(269,855)

Geographic information

Revenues in each geographic region are reported by customer locations except for Investment Management where revenues are reported by the location of the fund management.

GEOGRAPHIC INFORMATION

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
United States				
Revenues	**$ 652,370**	$ 570,886	**$ 1,902,830**	$ 1,488,827
Total long-lived assets			**1,787,694**	1,401,401
Canada				
Revenues	**$ 104,051**	$ 105,331	**$ 350,320**	$ 309,356
Total long-lived assets			**76,170**	80,217
Euro currency countries				
Revenues	**$ 95,430**	$ 82,176	**$ 283,392**	$ 225,956
Total long-lived assets			**334,633**	278,103
Australia				
Revenues	**$ 70,210**	$ 83,724	**$ 185,682**	$ 209,687
Total long-lived assets			**109,133**	73,929
United Kingdom				
Revenues	**$ 59,599**	$ 37,696	**$ 144,809**	$ 115,789
Total long-lived assets			**523,486**	71,440
China				
Revenues	**$ 21,957**	$ 27,389	**$ 67,497**	$ 74,540
Total long-lived assets			**7,835**	10,505
Other				
Revenues	**$ 104,707**	$ 115,554	**$ 302,552**	$ 319,509
Total long-lived assets			**136,126**	170,014
Consolidated				
Revenues	**$ 1,108,324**	$ 1,022,756	**$ 3,237,082**	$ 2,743,664
Total long-lived assets			**2,975,077**	2,085,609

23. Subsequent events

Acquisitions

On October 6, 2022, the Company completed the acquisition of a controlling interest in Arcadia Management Group, Inc. for an aggregate initial cash purchase price of $13,100. The acquisition is expected to be accounted for using the acquisition method of accounting for business combinations.

On October 11, 2022, the Company completed the acquisition for 75% of Versus Capital for an aggregate initial cash purchase price of $364,000. The acquisition is expected to be accounted for using the acquisition method of accounting for business combinations.

NCIB share repurchases

The Company established an automatic share purchase plan ("ASPP") in connection with 2022/2023 NCIB. The ASPP was pre-cleared by the TSX and commenced on October 3, 2022, and terminated on October 28, 2022. During this period the Company repurchased 284,488 Subordinate Voting Shares for cancellation for consideration of $26,418.

Warehouse facility extension

On October 17, 2022, the Company renewed Facility A extending its maturity date to October 19, 2023. See note 11.

AR facility expansion

On October 28, 2022, the Company expanded the committed availability in its AR Facility to $175,000. See note 12.