

**COLLIERS INTERNATIONAL
GROUP INC.**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Second Quarter

June 30, 2022

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

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Revenues (note 21)	\$ 1,127,846	\$ 945,994	\$ 2,128,758	\$ 1,720,908
Cost of revenues (exclusive of depreciation and amortization shown below)	703,302	576,652	1,334,855	1,044,382
Selling, general and administrative expenses	266,282	231,922	516,994	442,526
Depreciation	11,818	11,041	23,867	21,480
Amortization of intangible assets	32,279	23,533	56,870	50,871
Acquisition-related items (note 7)	9,365	16,695	24,448	35,542
Settlement of long-term incentive arrangement ("LTIA") (note 17)	-	471,928	-	471,928
Loss on disposal of operations (note 5)	950	-	27,040	-
Operating earnings (loss)	103,850	(385,777)	144,684	(345,821)
Interest expense, net	9,571	7,916	15,889	16,200
Earnings from equity accounted investments	(906)	(1,732)	(4,066)	(3,138)
Other income, net	(156)	(232)	(124)	(808)
Earnings (loss) before income tax	95,341	(391,729)	132,985	(358,075)
Income tax expense (note 18)	28,610	20,872	44,937	29,719
Net earnings (loss)	66,731	(412,601)	88,048	(387,794)
Non-controlling interest share of earnings	11,806	11,745	20,322	19,525
Non-controlling interest redemption increment (note 14)	24,564	31,771	56,005	44,311
Net earnings (loss) attributable to Company	\$ 30,361	\$ (456,117)	\$ 11,721	\$ (451,630)
Net earnings (loss) per common share (note 15)				
Basic	\$ 0.70	\$ (10.53)	\$ 0.27	\$ (10.80)
Diluted	\$ 0.67	\$ (10.53)	\$ 0.26	\$ (10.80)

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 June 30		Six months ended June 30	
	2022	2021	2022	2021
Net earnings (loss)	\$ 66,731	\$ (412,601)	\$ 88,048	\$ (387,794)
Change in foreign currency translation	(12,829)	(1,686)	(14,820)	(3,561)
Reclassification of accumulated foreign currency translation on disposal of operations (note 5)	36	-	18,272	-
Unrealized gain on interest rate swaps, net of tax	460	901	924	1,830
Pension liability adjustments, net of tax	-	-	9	-
Comprehensive earnings (loss)	54,398	(413,386)	92,433	(389,525)
Less: Comprehensive earnings attributable to non- controlling interests	43,557	41,701	85,377	64,183
Comprehensive earnings (loss) attributable to Company	\$ 10,841	\$ (455,087)	\$ 7,056	\$ (453,708)

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

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

	June 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 171,312	\$ 396,745
Restricted cash	35,142	28,526
Accounts receivable, net of allowance of \$25,072 (December 31, 2021 - \$22,413)	532,669	502,416
Contract assets (note 21)	76,527	71,294
Warehouse receivables (note 19)	33,595	174,717
Income tax recoverable	25,449	13,373
Prepaid expenses and other current assets	239,241	339,847
Real estate assets held for sale (note 6)	199,461	44,089
	1,313,396	1,571,007
Other receivables	15,698	12,441
Contract assets (note 21)	6,779	7,647
Other assets	118,200	99,983
Fixed assets	144,346	144,755
Operating lease right-of-use assets	316,731	316,517
Deferred tax assets, net	68,429	68,502
Intangible assets (note 8)	817,014	561,830
Goodwill	1,381,553	1,091,048
	2,868,750	2,302,723
	\$ 4,182,146	\$ 3,873,730
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued expenses	\$ 414,069	\$ 391,170
Accrued compensation	498,990	691,604
Income tax payable	21,826	35,446
Contract liabilities (note 21)	29,951	30,397
Long-term debt - current (note 9)	4,808	1,458
Contingent acquisition consideration - current (note 19)	44,495	120,246
Warehouse credit facilities (note 11)	27,208	162,911
Operating lease liabilities	78,138	80,928
Liabilities related to real estate assets held for sale (note 6)	109,666	23,095
	1,229,151	1,537,255
Long-term debt (note 9)	1,035,178	529,596
Contingent acquisition consideration (note 19)	46,691	34,425
Operating lease liabilities	298,121	296,633
Other liabilities	82,403	86,064
Deferred tax liabilities, net	55,093	42,371
Convertible notes (note 10)	225,866	225,214
	1,743,352	1,214,303
Redeemable non-controlling interests (note 14)	720,685	536,903
Shareholders' equity		
Common shares	846,953	852,167
Contributed surplus	94,060	79,407
Deficit	(381,304)	(279,724)
Accumulated other comprehensive loss	(74,916)	(70,251)
Total Company shareholders' equity	484,793	581,599
Non-controlling interests	4,165	3,670
Total shareholders' equity	488,958	585,269
	\$ 4,182,146	\$ 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)

Six months ended June 30, 2022

	Common shares		Contributed surplus	Deficit	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
Balance, December 31, 2021	44,054,744	\$ 852,167	\$ 79,407	\$ (279,724)	\$ (70,251)	\$ 3,670	\$ 585,269
Net earnings	-	-	-	88,048	-	-	88,048
Pension liability adjustment, net of tax	-	-	-	-	9	-	9
Foreign currency translation loss	-	-	-	-	(14,820)	-	(14,820)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	924	-	924
Other comprehensive earnings attributable to NCI	-	-	-	-	(9,050)	23	(9,027)
NCI share of earnings	-	-	-	(20,322)	-	1,348	(18,974)
NCI redemption increment	-	-	-	(56,005)	-	-	(56,005)
Distributions to NCI	-	-	-	-	-	(609)	(609)
Acquisition of businesses, net	-	-	-	-	-	(267)	(267)
Reclass to net earnings on disposal of operations (note 5)	-	-	(93)	-	18,272	-	18,179
Subsidiaries' equity transactions	-	-	8,480	-	-	-	8,480
Subordinate Voting Shares:							
Stock option expense	-	-	9,351	-	-	-	9,351
Stock options exercised	221,625	14,341	(3,085)	-	-	-	11,256
Dividends	-	-	-	(6,490)	-	-	(6,490)
Purchased for cancellation (note 15)	(999,439)	(19,555)	-	(106,811)	-	-	(126,366)
Balance, June 30, 2022	43,276,930	\$ 846,953	\$ 94,060	\$ (381,304)	\$ (74,916)	\$ 4,165	\$ 488,958

Three months ended June 30, 2022

	Common shares		Contributed surplus	Deficit	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
Balance, March 31, 2022	43,675,830	\$ 854,760	\$ 89,507	\$ (363,296)	\$ (55,396)	\$ 4,331	\$ 529,906
Net earnings	-	-	-	66,731	-	-	66,731
Foreign currency translation loss	-	-	-	-	(12,829)	-	(12,829)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	460	-	460
Other comprehensive earnings attributable to NCI	-	-	-	-	(7,187)	(139)	(7,326)
NCI share of earnings	-	-	-	(11,806)	-	669	(11,137)
NCI redemption increment	-	-	-	(24,564)	-	-	(24,564)
Distributions to NCI	-	-	-	-	-	(429)	(429)
Acquisition of businesses, net	-	-	-	-	-	(267)	(267)
Reclass to net earnings on disposal of operations (note 5)	-	-	-	-	36	-	36
Subsidiaries' equity transactions	-	-	63	-	-	-	63
Subordinate Voting Shares:							
Stock option expense	-	-	4,490	-	-	-	4,490
Dividends	-	-	-	(6,490)	-	-	(6,490)
Purchased for cancellation (note 15)	(398,900)	(7,807)	-	(41,879)	-	-	(49,686)
Balance, June 30, 2022	43,276,930	\$ 846,953	\$ 94,060	\$ (381,304)	\$ (74,916)	\$ 4,165	\$ 488,958

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

Six months ended June 30, 2021							
	Common shares		Contributed surplus	Retained earnings (deficit)	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
Balance, December 31, 2020	40,189,436	\$ 457,993	\$ 66,971	\$ 119,421	\$ (61,979)	\$ 3,703	\$ 586,109
Net loss	-	-	-	(387,794)	-	-	(387,794)
Foreign currency translation loss	-	-	-	-	(3,561)	-	(3,561)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	1,830	-	1,830
Other comprehensive earnings attributable to NCI	-	-	-	-	(347)	(127)	(474)
NCI share of earnings	-	-	-	(19,525)	-	1,337	(18,188)
NCI redemption increment	-	-	-	(44,311)	-	-	(44,311)
Distributions to NCI	-	-	-	-	-	(552)	(552)
Acquisition of businesses, net	-	-	-	-	-	(35)	(35)
Subordinate Voting Shares:							
Stock option expense	-	-	5,522	-	-	-	5,522
Stock options exercised	221,700	13,241	(2,859)	-	-	-	10,382
Settlement of LTIA	3,572,858	375,742	-	-	-	-	375,742
Dividends	-	-	-	(2,199)	-	-	(2,199)
Balance, June 30, 2021	43,983,994	\$ 846,976	\$ 69,634	\$ (334,408)	\$ (64,057)	\$ 4,326	\$ 522,471

Three months ended June 30, 2021							
	Common shares		Contributed surplus	Retained earnings (deficit)	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
Balance, March 31, 2021	40,358,636	\$ 468,145	\$ 67,689	\$ 123,908	\$ (65,087)	\$ 4,090	\$ 598,745
Net loss	-	-	-	(412,601)	-	-	(412,601)
Foreign currency translation loss	-	-	-	-	(1,686)	-	(1,686)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	901	-	901
Other comprehensive earnings attributable to NCI	-	-	-	-	1,815	10	1,825
NCI share of earnings	-	-	-	(11,745)	-	475	(11,270)
NCI redemption increment	-	-	-	(31,771)	-	-	(31,771)
Distributions to NCI	-	-	-	-	-	(241)	(241)
Acquisition of businesses, net	-	-	-	-	-	(8)	(8)
Subordinate Voting Shares:							
Stock option expense	-	-	2,597	-	-	-	2,597
Stock options exercised	52,500	3,089	(652)	-	-	-	2,437
Settlement of LTIA	3,572,858	375,742	-	-	-	-	375,742
Dividends	-	-	-	(2,199)	-	-	(2,199)
Balance, June 30, 2021	43,983,994	\$ 846,976	\$ 69,634	\$ (334,408)	\$ (64,057)	\$ 4,326	\$ 522,471

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

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

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Cash provided by (used in)				
Operating activities				
Net earnings (loss)	\$ 66,731	\$ (412,601)	\$ 88,048	\$ (387,794)
Items not affecting cash:				
Depreciation and amortization	44,097	34,574	80,737	72,351
Settlement of long-term incentive arrangement (note 17)	-	375,742	-	375,742
Loss on disposal of operations (note 5)	950	-	27,040	-
Gains attributable to mortgage servicing rights	(2,526)	(5,841)	(7,823)	(14,916)
Gains attributable to the fair value of mortgage premiums and origination fees	(4,272)	(10,705)	(11,554)	(22,283)
Deferred tax	(16)	(13,073)	(11,193)	(22,504)
Earnings from equity accounted investments	(906)	(1,732)	(4,066)	(3,138)
Stock option expense (note 16)	4,490	2,597	9,351	5,522
Non-cash lease expense	(738)	(567)	(1,264)	17,491
Allowance for credit losses	2,297	677	4,032	992
Amortization of advisor loans	6,548	5,317	12,781	10,822
Contingent consideration (note 7)	8,505	12,658	14,995	29,036
Other	2,646	444	4,800	560
Increase in accounts receivable, prepaid expenses and other assets	(165,922)	(55,446)	(337,927)	(79,233)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(19,206)	14,331	(9,346)	1,779
Increase (decrease) in accrued compensation	60,535	82,799	(208,235)	(1,677)
Contingent acquisition consideration paid	(1,257)	(2,997)	(60,810)	(10,472)
Proceeds received on sale of mortgage loans	296,613	757,113	666,524	1,595,030
Principal funded on originated mortgage loans	(200,476)	(690,415)	(514,549)	(1,397,200)
Decrease in warehouse credit facilities	(88,610)	(50,371)	(135,704)	(162,452)
Sales to AR Facility, net (note 12)	22,916	14,183	145,853	10,892
Net cash provided by (used in) operating activities	32,399	56,687	(248,310)	18,548
Investing activities				
Acquisitions of businesses, net of cash acquired (note 4)	(328,120)	(366)	(380,598)	(4,207)
Purchases of fixed assets	(13,581)	(10,510)	(23,416)	(32,603)
Advisor loans issued	(9,460)	(6,127)	(22,899)	(17,208)
Purchase of held for sale real estate assets	(117,042)	-	(117,042)	-
Proceeds from sale of held for sale real estate assets	48,505	-	48,505	-
Collections of AR facility deferred purchase price (note 12)	90,101	11,824	256,429	22,732
Other investing activities	(1,222)	(3,569)	(8,748)	(3,581)
Net cash used in investing activities	(330,819)	(8,748)	(247,769)	(34,867)
Financing activities				
Increase in long-term debt	479,931	240,902	674,866	444,423
Repayment of long-term debt	(134,255)	(224,762)	(137,460)	(374,491)
Purchases of non-controlling interests' subsidiary shares, net	(7,595)	(13,707)	(33,557)	(21,840)
Contingent acquisition consideration paid	(1,322)	(941)	(42,211)	(3,918)
Proceeds received on exercise of stock options	42	2,437	11,256	10,382
Dividends paid to common shareholders	-	-	(6,608)	(2,009)
Distributions paid to non-controlling interests	(26,628)	(21,305)	(41,554)	(35,228)
Repurchases of Subordinate Voting Shares	(53,681)	-	(126,366)	-
Other financing activities	(3,049)	-	(3,098)	-
Net cash provided by (used in) financing activities	253,443	(17,376)	295,268	17,319
Effect of exchange rate changes on cash	(14,167)	888	(18,006)	(966)

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

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Net change in cash, cash equivalents and restricted cash	(59,144)	31,451	(218,817)	34
Cash, cash equivalents and restricted cash, beginning of period	265,598	146,116	425,271	177,533
Cash, cash equivalents and restricted cash, end of period	\$ 206,454	\$ 177,567	\$ 206,454	\$ 177,567

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 35 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 for Note 3 and Note 6 relating to real estate assets held for sale.

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 June 30, 2022 and the results of operations and its cash flows for the three and six months ended June 30, 2022 and 2021. All such adjustments are of a normal recurring nature. The results of operations for the six-month period ended June 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. The adoption of the standard did not have a material impact on the Company’s consolidated financial statements.

4. Acquisitions

During the six months ended June 30, 2022, the Company acquired controlling interests in six 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 interests 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 controlling 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.

Given the complexity of certain assets and liabilities acquired, primarily intangibles and related income tax items, the allocation of the purchase consideration recorded in the accompanying financial statements is preliminary. The acquisition date fair value of consideration transferred and preliminary fair value determinations were as follows:

	Basalt	Other	Aggregate Acquisitions
Current assets, excluding cash	\$ 3,819	\$ 27,645	\$ 31,464
Non-current assets	2,906	18,645	21,551
Current liabilities	18,960	23,694	42,654
Long-term liabilities	5,316	36,864	42,180
	\$ (17,551)	\$ (14,268)	\$ (31,819)
Cash consideration, net of cash acquired of \$71,665	\$ 278,646	\$ 101,952	\$ 380,598
Acquisition date fair value of contingent consideration	13,279	21,155	34,434
Total purchase consideration	\$ 291,925	\$ 123,107	\$ 415,032
Acquired intangible assets (note 8)			
Finite life	\$ 179,700	\$ 130,738	\$ 310,438
Goodwill	\$ 234,718	\$ 94,921	\$ 329,639
Redeemable non-controlling interest	\$ 104,942	\$ 88,284	\$ 193,226

During the six months ended June 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 six months ended June 30, 2022, goodwill in the amount of \$258,507 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 June 30, 2022, was \$91,186 (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 June 30, 2022, was \$21,974 (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 \$316,907 to a maximum of \$365,968. 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 two individually insignificant operations during the six month period ended June 30, 2022 (EMEA - Morocco and Americas - Panama). The proceeds received from the disposals were de minimus and during the three and six periods the Company recognized an aggregated loss on disposal of operations in the amount of \$950 and \$27,040 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	\$ 6,407
Non-current assets, excluding goodwill	3,819
Goodwill	7,052
Current liabilities	\$ (6,848)
Non-current liabilities	(2,534)
Redeemable non-controlling interest	\$ (2,361)
Net assets of disposed operations, excluding cash	5,535

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

Cash consideration, net of disposed cash	\$ (3,593)
Net assets of disposed operations, excluding cash	5,535
Reclasses from Shareholder's equity to net earnings:	
Contributed surplus	93
Non-controlling interest	267
Accumulated foreign currency translation	(18,272)
Loss on disposal of operations	\$ (27,040)

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 second half 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 June 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 June 30, 2022	As at December 31, 2021
Real estate assets held for sale		
Real estate assets held for sale - current	\$ 199,461	\$ 44,089
Liabilities related to real estate assets held for sale - current	\$ 109,666	\$ 23,095
Net real estate assets held for sale	\$ 89,795	\$ 20,994

7. Acquisition-related items

	Three months ended		Six months ended	
	June 30		June 30	
	2022	2021	2022	2021
Transaction costs	\$ 2,737	\$ 4,037	\$ 9,452	\$ 6,506
Contingent consideration fair value adjustments (note 19)	(480)	11,435	4,887	26,222
Contingent consideration compensation expense	7,108	1,223	10,109	2,814
	\$ 9,365	\$ 16,695	\$ 24,448	\$ 35,542

8. Intangible assets

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

June 30, 2022

	Gross carrying amount	Accumulated amortization	Net
Indefinite life intangible assets:			
Licenses	\$ 29,200	\$ -	\$ 29,200
Trademarks and trade names	23,219	-	23,219
	\$ 52,419	\$ -	\$ 52,419
Finite life intangible assets:			
Customer lists and relationships	\$ 400,052	\$ 163,342	\$ 236,710
Investment management contracts	500,873	99,769	401,104
Mortgage servicing rights ("MSRs")	159,934	55,323	104,611
Franchise rights	1,142	1,104	38
Trademarks and trade names	18,662	6,303	12,359
Management contracts and other	17,402	11,928	5,474
Backlog	11,212	6,913	4,299
	\$ 1,109,277	\$ 344,682	\$ 764,595
	\$ 1,161,696	\$ 344,682	\$ 817,014

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 six-month period ended June 30, 2022.

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

	2022
Balance, January 1	\$ 106,423
Additions, following the sale of loan	12,056
Amortization	(7,765)
Prepayments and write-offs	(6,103)
Balance, June 30	\$ 104,611

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 six months)	\$ 6,819	\$ 49,510	\$ 56,329
2023	12,382	87,936	100,318
2024	11,478	79,569	91,047
2025	10,547	71,182	81,729
2026	9,869	67,146	77,015
Thereafter	53,516	304,641	358,157
	\$ 104,611	\$ 659,984	\$ 764,595

9. Long-term debt

On May 27, 2022, the Company entered into an 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 June 30, 2022 was 2.4% (2021 – 1.7%). The Revolving Credit Facility had \$953,085 of available undrawn credit as at June 30, 2022 (\$988,167 as at December 31, 2021). As of June 30, 2022, letters of credit in the amount of \$11,915 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 certain leverage ratios. At any time during the term, the Company has the right to increase the Revolving Credit Facility by up to \$250,000 on the same terms and conditions.

The Company has outstanding €210,000 of senior unsecured notes with a fixed interest rate of 2.23% (the "Senior Notes 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 June 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 June 30, 2022, there was \$327 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 June 30, 2022:

	Current Maturity	June 30, 2022		December 31, 2021	
		Maximum Capacity	Carrying Value	Maximum Capacity	Carrying Value
Facility A - SOFR plus 1.70%	October 19, 2022	\$ 125,000	\$ 6,298	\$ 125,000	\$ 70,694
Facility B - SOFR plus 1.70%	On demand	125,000	13,055	125,000	49,860
Facility C - SOFR plus 1.60%	April 27, 2023	150,000	7,855	150,000	42,357
		\$ 400,000	\$ 27,208	\$ 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 June 1, 2022, Colliers Mortgage entered into an amendment to the financing agreement for Facility A modifying the interest rate to SOFR plus 1.7%.

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.

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 June 30, 2022, the Company's draw under the AR Facility was \$145,640.

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 June 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 six months ending June 30, 2022, Receivables sold under the AR Facility were \$1,022,514 and cash collections from customers on Receivables sold were \$1,015,210, all of which were reinvested in new Receivables purchases and are included in cash flows from operating activities in the consolidated statement of cash flows. As of June 30, 2022, the outstanding principal on trade accounts receivable, net of Allowance for Doubtful Accounts, sold under the AR Facility was \$169,897; and the outstanding principal on contract assets, current and non-current, sold under the AR Facility was \$93,546. See note 19 for fair value information on the DPP.

For the six months ended June 30, 2022, the Company recognized a loss related to Receivables sold of \$108 (2021 - \$2 gain) that was recorded in other expense in the consolidated statement of earnings. Based on the Company's collection history, the fair value of the Receivables sold subsequent to the initial sale approximates carrying value.

The non-cash investing activities associated with the DPP for the six months ended June 30, 2022, were \$113,074.

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:

	June 30, 2022	December 31, 2021
Equity accounted investments	\$ 21,875	\$ 16,550
Co-investment commitments	19,617	20,284
Maximum exposure to loss	\$ 41,492	\$ 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	18,974
RNCI redemption increment	56,005
Distributions paid to RNCI	(43,564)
Purchase of interests from RNCI	(42,587)
Sale of interests to RNCI	4,334
Disposal of operations (note 5)	(2,361)
RNCI recognized on business acquisitions	193,226
Other	(245)
Balance, June 30	\$ 720,685

The Company has shareholders' agreements in place at each of its non-wholly owned subsidiaries. These agreements allow the Company to "call" the RNCI at a price determined with the use of a formula price, which is usually equal to a fixed multiple of average annual net earnings before income taxes, interest, depreciation, and amortization. The agreements also have redemption features which allow the owners of the RNCI to "put" their equity to the Company at the same price subject to certain limitations. The formula price is referred to as the redemption amount and may be paid in cash or in Subordinate Voting Shares. The redemption amount as of June 30, 2022, was \$695,637 (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 June 30, 2022, approximately 6,250,000 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 dilutive for the three-month period ended June 30, 2022. The "if-converted" method is anti-dilutive for the three-month period ended June 30, 2021 and six-month periods ended June 30, 2022 and 2021.

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

(in thousands)	Three months ended		Six months ended	
	June 30		June 30	
	2022	2021	2022	2021
Net earnings (loss) attributable to Company	\$ 30,361	\$ (456,117)	\$ 11,721	\$ (451,630)
After-tax interest on Convertible Notes	1,691	-	-	-
Adjusted numerator under the If-Converted Method	\$ 32,052	\$ (456,117)	\$ 11,721	\$ (451,630)
Weighted average common shares - Basic	43,336	43,329	43,698	41,801
Exercise of stock options	494	-	630	-
Conversion of Convertible Notes	3,974	-	-	-
Weighted average common shares - Diluted	47,804	43,329	44,328	41,801

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 NCIB commenced on July 20, 2021 and expired on July 19, 2022. See note 23.

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

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 June 30, 2022, there were 1,677,050 options available for future grants.

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

There were 28,750 stock options granted during the six months ended June 30, 2022 (2021- 30,000). Stock option activity for the six months ended June 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	28,750	133.66		
Exercised	(221,625)	50.79		
Forfeited	(6,500)	126.76		
Shares issuable under options - June 30, 2022	2,351,500	\$ 93.41	2.8	\$ 73,748
Options exercisable - June 30, 2022	977,689	\$ 76.24	1.9	\$ 34,608

The amount of compensation expense recorded in the statement of earnings for the six months ended June 30, 2022 was \$9,351 (2021 - \$5,522). As of June 30, 2022, there was \$26,280 of unrecognized compensation cost related to non-vested

awards which is expected to be recognized over the next 4 years. During the six-month period ended June 30, 2022, the fair value of options vested was \$4,461 (2021 - \$4,649).

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 six months ended June 30, 2022, reflected an effective tax rate of 33.8% (2021 - negative 8.3%) 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 outside basis difference in investment in a U.K. flowthrough entity arising from accounting amortization of intangibles and acquisition related items, on which a deferred tax benefit was not recognizable. The prior year's rate was negatively impacted by the settlement of the long-term incentive arrangement (see note 17). 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 June 30, 2022:

	Level 1	Level 2	Level 3
Assets			
Cash equivalents	\$ 3,953	\$ -	\$ -
Equity securities	10,291	27	-
Debt securities	-	13,833	-
Mortgage derivative assets	-	26,948	-
Warehouse receivables	-	33,595	-
Deferred Purchase Price on AR Facility	-	-	91,385
Total assets	\$ 14,244	\$ 74,403	\$ 91,385
Liabilities			
Mortgage derivative liabilities	\$ -	\$ 18,988	\$ -
Interest rate swap liabilities	-	2,053	-
Contingent consideration liabilities	-	-	91,186
Total liabilities	\$ -	\$ 21,041	\$ 91,186

There were no significant non-recurring fair value measurements recorded during the quarter ended June 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.

Financial instruments and other inventory positions owned

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

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

Mortgage-related derivatives

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

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 June 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	113,074
Collections on DPP	(256,429)
Fair value adjustment	(108)
Foreign exchange and other	(3,987)
Balance, June 30	\$ 91,385

Interest rate swaps

In December 2018, the Company entered into interest rate swap agreements to convert the LIBOR floating interest rate on \$100,000 of US dollar denominated debt into a fixed interest rate of 2.7205% plus the applicable margin. The swaps have a maturity date of April 30, 2023. The interest rate swaps are measured at fair value on the consolidated balance sheets. In May 2022, the Company amended the interest rate swap agreements to convert SOFR floating interest rates into a weighted average fixed interest rate of 2.6026%.

At the inception of the interest rate swaps, the Company designated each swap as a cash flow hedge. From inception until June 30, 2021, each of the swaps 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 swaps 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 six months ended June 30, 2022, \$626 and \$1,245 of the accumulated other comprehensive loss, respectively, was included in interest expense on the consolidated statements of earnings.

Contingent acquisition consideration

The inputs to the measurement of the fair value of contingent consideration related to acquisitions are Level 3 inputs. The fair value measurements were made using a discounted cash flow model; significant model inputs were expected future operating cash flows (determined with reference to each specific acquired business) and discount rates (which range from 2.1% to 8.8%, with a weighted average of 4.7%). 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	34,434
Fair value adjustments (note 7)	4,887
Resolved and settled in cash	(101,322)
Other	(1,484)
Balance, June 30	\$ 91,186
Less: current portion	\$ 44,495
Non-current portion	\$ 46,691

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.

	June 30, 2022		December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Senior Notes	\$ 498,792	\$ 429,339	\$ 529,089	\$ 548,440
Convertible Notes	225,866	435,989	225,214	590,193

20. Commitments and Contingencies

Acquisition Commitments

In May 2022, The Company entered into an agreement to acquire a controlling interest in Rockwood Capital, LLC ("Rockwood"), a US real estate investment management firm. It is expected that the acquisition will be accounted for using the acquisition method of accounting for business combinations. The transaction is subject to applicable closing conditions including regulatory approval, for an aggregate initial cash purchase price of \$195,000. See note 23.

In June 2022, The Company entered into an agreement to acquire a controlling interest in Versus Capital ("Versus"), a US real asset management firm. 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 second half of 2022, subject to applicable closing conditions including regulatory approval, for an aggregate initial cash purchase price of \$356,000.

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 June 30, 2022, the Company has funded and sold loans subject to such loss sharing obligations with an aggregate unpaid principal balance of approximately \$4,536,000. As at June 30, 2022, the Loss Reserve was \$16,117 (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 June 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.

	Americas	EMEA	Asia Pacific	Investment Management	Corporate	Consolidated
Three months ended June 30,						
2022						
Leasing	\$ 214,507	\$ 35,593	\$ 27,296	\$ -	\$ -	\$ 277,396
Capital Markets	224,176	38,189	37,093	-	-	299,458
Property services	206,505	61,622	51,141	-	-	319,268
Valuation and advisory	71,647	32,685	22,777	-	-	127,109
IM - Advisory and other	-	-	-	73,227	-	73,227
IM - Incentive Fees	-	-	-	1,900	-	1,900
Other	23,876	1,182	4,297	21	112	29,488
Total Revenue	\$ 740,711	\$ 169,271	\$ 142,604	\$ 75,148	\$ 112	\$ 1,127,846
2021						
Leasing	\$ 179,982	\$ 33,882	\$ 27,393	\$ -	\$ -	\$ 241,257
Capital Markets	176,221	46,939	42,439	-	-	265,599
Property services	158,106	44,042	57,185	-	-	259,333
Valuation and advisory	52,960	32,920	22,976	-	-	108,856
IM - Advisory and other	-	-	-	50,477	-	50,477
IM - Incentive Fees	-	-	-	-	-	-
Other	15,500	788	4,025	-	159	20,472
Total Revenue	\$ 582,769	\$ 158,571	\$ 154,018	\$ 50,477	\$ 159	\$ 945,994
Six months ended June 30,						
2022						
Leasing	\$ 403,195	\$ 65,910	\$ 45,563	\$ -	\$ -	\$ 514,668
Capital Markets	416,242	79,073	66,861	-	-	562,176
Property services	395,459	115,175	100,044	-	-	610,678
Valuation and advisory	124,140	60,156	42,816	-	-	227,112
IM - Advisory and other	-	-	-	134,874	-	134,874
IM - Incentive Fees	-	-	-	26,630	-	26,630
Other	43,373	2,282	6,700	21	244	52,620
Total Revenue	\$ 1,382,409	\$ 322,596	\$ 261,984	\$ 161,525	\$ 244	\$ 2,128,758
2021						
Leasing	\$ 314,185	\$ 59,471	\$ 47,261	\$ -	\$ -	\$ 420,917
Capital Markets	318,323	82,529	75,258	-	-	476,110
Property services	305,167	82,318	112,736	-	-	500,221
Valuation and advisory	91,392	58,013	40,360	-	-	189,765
IM - Advisory and other	-	-	-	95,104	-	95,104
IM - Incentive Fees	-	-	-	-	-	-
Other	29,479	2,353	6,654	-	305	38,791
Total Revenue	\$ 1,058,546	\$ 284,684	\$ 282,269	\$ 95,104	\$ 305	\$ 1,720,908

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 six months ended June 30, 2022, \$25,162 and

\$54,473 of revenue, respectively, was excluded from the scope of ASC 606 (2021 - \$31,492 and \$63,727). These revenues were included entirely within the Americas segment within Capital Markets and Other revenue.

Contract balances

As at June 30, 2022, the Company had contract assets totaling \$83,306 of which \$76,527 was current (\$78,941 as at December 31, 2021 - of which \$71,294 was current). During the six months ended June 30, 2022, approximately 80% of the current contract assets were moved to accounts receivable or sold under the AR Facility (Note 12).

As at June 30, 2022, the Company had contract liabilities (all current) totaling \$29,951 (\$30,397 as at December 31, 2021). Revenue recognized for the six months ended June 30, 2022, totaled \$26,555 (2021 - \$17,473) 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 three and six month periods ended June 30, 2021, also the settlement of the LTIA (see note 17). Operating earnings (loss) for the three and six-month periods ended June 30, 2022, include losses on disposal of the Company's operations of \$950 and \$27,040 respectively, substantially all of which were in EMEA (see note 5).

OPERATING SEGMENTS

	Americas	EMEA	Asia Pacific	Investment Mgmt	Corporate	Consolidated
Three months ended June 30						
2022						
Revenues	\$ 740,711	\$ 169,271	\$ 142,604	\$ 75,148	\$ 112	\$ 1,127,846
Depreciation and amortization	23,860	8,098	2,008	9,377	754	44,097
Operating earnings (loss)	81,108	4,209	17,558	19,150	(18,175)	103,850
2021						
Revenues	\$ 582,769	\$ 158,571	\$ 154,018	\$ 50,477	\$ 159	\$ 945,994
Depreciation and amortization	18,779	5,751	2,296	6,784	964	34,574
Operating earnings (loss)	63,239	14,393	16,692	14,157	(494,258)	(385,777)

	Americas	EMEA	Asia Pacific	Investment Mgmt	Corporate	Consolidated
Six months ended June 30						
2022						
Revenues	\$ 1,382,409	\$ 322,596	\$ 261,984	\$ 161,525	\$ 244	\$ 2,128,758
Depreciation and amortization	45,676	13,462	3,856	16,185	1,558	80,737
Operating earnings (loss)	142,415	(26,572)	25,783	36,371	(33,313)	144,684
2021						
Revenues	\$ 1,058,546	\$ 284,684	\$ 282,269	\$ 95,104	\$ 305	\$ 1,720,908
Depreciation and amortization	39,457	11,456	6,050	13,515	1,873	72,351
Operating earnings (loss)	106,092	13,304	28,400	24,088	(517,705)	(345,821)

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		Six months ended	
	June 30		June 30	
	2022	2021	2022	2021
United States				
Revenues	\$ 657,748	\$ 500,702	\$ 1,250,460	\$ 917,941
Total long-lived assets			1,486,352	1,414,330
Canada				
Revenues	\$ 127,010	\$ 113,525	\$ 246,269	\$ 204,025
Total long-lived assets			79,933	81,761
Euro currency countries				
Revenues	\$ 105,192	\$ 79,572	\$ 187,962	\$ 143,780
Total long-lived assets			360,912	287,752
Australia				
Revenues	\$ 67,741	\$ 72,030	\$ 115,472	\$ 125,963
Total long-lived assets			65,913	78,166
United Kingdom				
Revenues	\$ 48,231	\$ 44,099	\$ 85,210	\$ 78,093
Total long-lived assets			515,257	74,995
China				
Revenues	\$ 24,126	\$ 24,906	\$ 45,540	\$ 47,151
Total long-lived assets			7,782	10,539
Other				
Revenues	\$ 97,798	\$ 111,160	\$ 197,845	\$ 203,955
Total long-lived assets			143,495	175,760
Consolidated				
Revenues	\$ 1,127,846	\$ 945,994	\$ 2,128,758	\$ 1,720,908
Total long-lived assets			2,659,644	2,123,303

23. Subsequent events

On July 6, 2022, the Company completed the acquisition of a controlling interest in Rockwood Capital, LLC for an aggregate initial cash purchase price of \$195,000. The acquisition is expected to be accounted for using the acquisition method of accounting for business combinations.

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 NCIB commenced on July 20, 2022 and is set to expire on July 19, 2023.

On August 2, 2022, the Company completed the acquisition of a controlling interest in PEAKURBAN Pty Limited for an aggregate initial cash purchase price of \$26,648. The acquisition is expected to be accounted for using the acquisition method of accounting for business combinations.