



COLLIERS INTERNATIONAL GROUP INC.

Interim  
Consolidated  
Financial  
Statements  
(unaudited)

Third Quarter | September 30, 2023

**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	
	2023	2022	2023	2022
Revenues (note 20)	\$ 1,056,032	\$ 1,108,324	\$ 3,099,973	\$ 3,237,082
Cost of revenues (exclusive of depreciation and amortization shown below)	638,659	682,585	1,865,569	2,017,440
Selling, general and administrative expenses	279,945	269,959	858,866	786,953
Depreciation	13,677	12,382	39,790	36,249
Amortization of intangible assets	37,486	32,760	111,659	89,630
Acquisition-related items (note 7)	15,366	26,290	53,502	50,738
Loss on disposal of operations (note 5)	-	318	2,282	27,358
Operating earnings	70,899	84,030	168,305	228,714
Interest expense, net	24,228	13,535	71,730	29,424
Earnings from equity accounted investments	(685)	(755)	(4,371)	(4,821)
Other (income) expense	(116)	1,629	(636)	1,505
Earnings before income tax	47,472	69,621	101,582	202,606
Income tax expense (note 17)	18,096	25,097	38,112	70,034
Net earnings	29,376	44,524	63,470	132,572
Non-controlling interest share of earnings	14,210	17,375	38,967	37,697
Non-controlling interest redemption increment (note 14)	(9,947)	15,121	26,393	71,126
Net earnings (loss) attributable to Company	\$ 25,113	\$ 12,028	\$ (1,890)	\$ 23,749
<b>Net earnings (loss) per common share (note 15)</b>				
Basic	\$ 0.53	\$ 0.28	\$ (0.04)	\$ 0.55
Diluted	\$ 0.53	\$ 0.27	\$ (0.04)	\$ 0.54

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	
	2023	2022	2023	2022
Net earnings	\$ 29,376	\$ 44,524	\$ 63,470	\$ 132,572
Other comprehensive earnings (loss), net of tax:				
Change in foreign currency translation	(3,056)	(13,570)	(5,890)	(28,390)
Reclassification of accumulated foreign currency translation on disposal of operations (note 5)	-	820	541	19,092
Unrealized gain on interest rate swaps, net of tax	4,103	5,087	8,638	6,011
Pension liability adjustments, net of tax	(26)	-	(283)	9
Total other comprehensive earnings (loss), net	1,021	(7,663)	3,006	(3,278)
Comprehensive earnings	30,397	36,861	66,476	129,294
Less: Comprehensive earnings attributable to non-controlling interests	8,635	42,226	69,149	127,603
Comprehensive earnings (loss) attributable to Company	\$ 21,762	\$ (5,365)	\$ (2,673)	\$ 1,691

**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, 2023	December 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 168,600	\$ 173,661
Restricted cash	69,991	25,381
Accounts receivable, net of allowance of \$28,956 (December 31, 2022 - \$25,332)	604,541	577,879
Contract assets (note 20)	83,765	91,924
Warehouse receivables (note 18)	54,957	29,623
Income tax recoverable	49,320	21,970
Prepaid expenses and other current assets	245,311	247,635
Real estate held for sale (note 6)	42,081	45,353
	<b>1,318,566</b>	<b>1,213,426</b>
Other receivables	11,231	12,461
Contract assets (note 20)	17,139	15,755
Other assets	168,299	138,510
Fixed assets	186,346	164,493
Operating lease right-of-use assets	361,408	341,623
Deferred tax assets, net	62,781	63,460
Intangible assets (note 8)	1,103,004	1,159,910
Goodwill	2,011,116	1,988,539
	<b>3,921,324</b>	<b>3,884,751</b>
	<b>\$ 5,239,890</b>	<b>\$ 5,098,177</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 507,627	\$ 503,189
Accrued compensation	501,799	625,565
Income tax payable	13,847	32,282
Contract liabilities (note 20)	57,413	25,616
Long-term debt - current (note 9)	3,976	1,360
Contingent acquisition consideration - current (note 18)	16,961	42,942
Warehouse credit facilities (note 11)	48,309	24,286
Operating lease liabilities	88,568	84,989
Liabilities related to real estate held for sale (note 6)	-	1,353
	<b>1,238,500</b>	<b>1,341,582</b>
Long-term debt (note 9)	1,638,650	1,437,739
Contingent acquisition consideration (note 18)	43,038	48,287
Operating lease liabilities	343,790	322,496
Other liabilities	108,612	91,105
Deferred tax liabilities, net	40,334	57,754
Convertible notes (note 10)	-	226,534
	<b>2,174,424</b>	<b>2,183,915</b>
Redeemable non-controlling interests (note 14)	1,073,379	1,079,306
<b>Shareholders' equity</b>		
Common shares	1,102,449	845,680
Contributed surplus	117,694	104,504
Deficit	(393,166)	(384,199)
Accumulated other comprehensive loss	(77,071)	(76,288)
Total Company shareholders' equity	749,906	489,697
Non-controlling interests	3,681	3,677
Total shareholders' equity	753,587	493,374
	<b>\$ 5,239,890</b>	<b>\$ 5,098,177</b>

Commitments and contingencies (note 19)

**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, 2023**

	Common shares		Contributed surplus	Deficit	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
<b>Balance, December 31, 2022</b>	<b>42,933,156</b>	<b>\$ 845,680</b>	<b>\$ 104,504</b>	<b>\$ (384,199)</b>	<b>\$ (76,288)</b>	<b>\$ 3,677</b>	<b>\$ 493,374</b>
Net earnings	-	-	-	63,470	-	-	63,470
Pension liability adjustment, net of tax	-	-	-	-	(283)	-	(283)
Foreign currency translation loss	-	-	-	-	(5,890)	-	(5,890)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	8,638	-	8,638
Other comprehensive earnings attributable to NCI	-	-	-	-	(3,789)	(16)	(3,805)
NCI share of earnings	-	-	-	(38,967)	-	2,381	(36,586)
NCI redemption increment	-	-	-	(26,393)	-	-	(26,393)
Distributions to NCI	-	-	-	-	-	(1,107)	(1,107)
Disposal of businesses, net	-	-	-	-	-	(44)	(44)
Reclass to net earnings on disposal of operations (note 5)	-	-	-	-	541	(1,210)	(669)
Subsidiaries' equity transactions	-	-	3,129	-	-	-	3,129
Subordinate Voting Shares:							
Redemption of Convertible Notes (note 10)	4,015,720	227,101	-	-	-	-	227,101
Stock option expense	-	-	16,726	-	-	-	16,726
Stock options exercised	338,875	29,668	(6,665)	-	-	-	23,003
Dividends	-	-	-	(7,077)	-	-	(7,077)
<b>Balance, September 30, 2023</b>	<b>47,287,751</b>	<b>\$ 1,102,449</b>	<b>\$ 117,694</b>	<b>\$ (393,166)</b>	<b>\$ (77,071)</b>	<b>\$ 3,681</b>	<b>\$ 753,587</b>

**Three months ended September 30, 2023**

	Common shares		Contributed surplus	Deficit	Accumulated other comprehensive loss	Non-controlling interest	Total shareholders' equity
	Issued and outstanding shares	Amount					
<b>Balance, June 30, 2023</b>	<b>47,179,376</b>	<b>\$ 1,092,843</b>	<b>\$ 112,707</b>	<b>\$ (418,279)</b>	<b>\$ (73,720)</b>	<b>\$ 3,385</b>	<b>\$ 716,936</b>
Net earnings	-	-	-	29,376	-	-	29,376
Pension liability adjustment, net of tax	-	-	-	-	(26)	-	(26)
Foreign currency translation loss	-	-	-	-	(3,056)	-	(3,056)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	4,103	-	4,103
Other comprehensive earnings attributable to NCI	-	-	-	-	(4,372)	(293)	(4,665)
NCI share of earnings	-	-	-	(14,210)	-	715	(13,495)
NCI redemption increment	-	-	-	9,947	-	-	9,947
Distributions to NCI	-	-	-	-	-	(114)	(114)
Disposal of businesses, net	-	-	-	-	-	(12)	(12)
Subsidiaries' equity transactions	-	-	1,648	-	-	-	1,648
Subordinate Voting Shares:							
Stock option expense	-	-	5,513	-	-	-	5,513
Stock options exercised	108,375	9,606	(2,174)	-	-	-	7,432
<b>Balance, September 30, 2023</b>	<b>47,287,751</b>	<b>\$ 1,102,449</b>	<b>\$ 117,694</b>	<b>\$ (393,166)</b>	<b>\$ (77,071)</b>	<b>\$ 3,681</b>	<b>\$ 753,587</b>

**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		Contributed surplus	Deficit	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
<b>Balance, December 31, 2021</b>	<b>44,054,744</b>	<b>\$ 852,167</b>	<b>\$ 79,407</b>	<b>\$ (279,724)</b>	<b>\$ (70,251)</b>	<b>\$ 3,670</b>	<b>\$ 585,269</b>
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	(1,087,839)	(21,287)	-	(113,217)	-	-	(134,504)
<b>Balance, September 30, 2022</b>	<b>43,207,530</b>	<b>\$ 846,634</b>	<b>\$ 98,421</b>	<b>\$ (375,685)</b>	<b>\$ (92,309)</b>	<b>\$ 4,237</b>	<b>\$ 481,298</b>

**Three months ended September 30, 2022**

	Common shares		Contributed surplus	Deficit	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
<b>Balance, June 30, 2022</b>	<b>43,276,930</b>	<b>\$ 846,953</b>	<b>\$ 94,060</b>	<b>\$ (381,307)</b>	<b>\$ (74,916)</b>	<b>\$ 4,165</b>	<b>\$ 488,955</b>
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	(88,400)	(1,732)	-	(6,406)	-	-	(8,138)
<b>Balance, September 30, 2022</b>	<b>43,207,530</b>	<b>\$ 846,634</b>	<b>\$ 98,421</b>	<b>\$ (375,685)</b>	<b>\$ (92,309)</b>	<b>\$ 4,237</b>	<b>\$ 481,298</b>

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	
	2023	2022	2023	2022
<b>Cash provided by (used in)</b>				
<b>Operating activities</b>				
Net earnings	\$ 29,376	\$ 44,524	\$ 63,470	\$ 132,572
Items not affecting cash:				
Depreciation and amortization	51,163	45,142	151,449	125,879
Loss on disposal of operations (note 5)	-	318	2,282	27,358
Gains attributable to mortgage servicing rights	(3,199)	(16,391)	(12,286)	(24,214)
Gains attributable to the fair value of mortgage premiums and origination fees	(2,887)	(3,264)	(10,913)	(14,818)
Deferred tax	1,458	(5,005)	(20,446)	(16,198)
Earnings from equity accounted investments	(685)	(755)	(4,371)	(4,821)
Stock option expense (note 16)	5,513	4,730	16,726	14,081
Amortization of advisor loans	8,384	7,683	24,268	20,464
Contingent consideration (note 7)	11,202	20,746	43,451	35,741
Other	4,141	10,009	15,002	17,577
Increase in accounts receivable, prepaid expenses and other assets	(76,551)	(78,228)	(133,276)	(416,155)
Increase (decrease) in accounts payable, accrued expenses and other	(6,539)	857	(6,082)	(8,489)
Increase (decrease) in accrued compensation	28,442	44,593	(125,188)	(163,642)
Contingent acquisition consideration paid	(35,655)	(8,129)	(38,646)	(68,939)
Proceeds received on sale of mortgage loans	235,197	175,903	839,269	842,427
Principal funded on originated mortgage loans	(208,533)	(240,470)	(849,257)	(755,019)
Increase (decrease) in warehouse credit facilities	(21,700)	69,213	24,022	(66,491)
Sales to AR Facility, net (note 12)	23,026	5,364	29,084	151,217
Net cash provided by (used in) operating activities	42,153	76,840	8,558	(171,470)
<b>Investing activities</b>				
Acquisitions of businesses, net of cash acquired (note 4)	(1,597)	(213,491)	(61,295)	(594,089)
Purchases of fixed assets	(19,349)	(18,391)	(60,411)	(41,807)
Advisor loans issued	(23,389)	(12,479)	(58,947)	(35,378)
Purchase of held for sale real estate assets	(8,989)	-	(49,565)	(117,042)
Proceeds from sale of held for sale real estate assets	6,369	-	50,369	48,505
Collections of AR facility deferred purchase price (note 12)	31,896	88,627	91,207	345,056
Other investing activities	5,136	57	11,151	(8,691)
Net cash used in investing activities	(9,923)	(155,677)	(77,491)	(403,446)
<b>Financing activities</b>				
Increase in long-term debt	144,953	315,277	724,735	990,143
Repayment of long-term debt	(154,796)	(177,642)	(514,910)	(315,102)
Purchases of non-controlling interests' subsidiary shares, net	(8,256)	2,124	(24,589)	(31,433)
Contingent acquisition consideration paid	(13,274)	(13,412)	(14,356)	(55,623)
Proceeds received on exercise of stock options	7,432	1,108	23,003	12,364
Dividends paid to common shareholders	(7,077)	(6,492)	(13,517)	(13,100)
Distributions paid to non-controlling interests	(16,702)	(13,179)	(67,822)	(54,733)
Repurchases of Subordinate Voting Shares	-	-	-	(126,366)
Other financing activities	(50)	(8)	(902)	(3,106)
Net cash provided by (used in) financing activities	(47,770)	107,776	111,642	403,044
Effect of exchange rate changes on cash	(3,447)	(19,953)	(3,160)	(37,959)

**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	
	2023	2022	2023	2022
Net change in cash, cash equivalents and restricted cash	<b>(18,987)</b>	8,986	<b>39,549</b>	(209,831)
Cash, cash equivalents and restricted cash, beginning of period	<b>257,578</b>	206,454	<b>199,042</b>	425,271
Cash, cash equivalents and restricted cash, end of period	<b>\$ 238,591</b>	\$ 215,440	<b>\$ 238,591</b>	\$ 215,440

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

## **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 (66 countries including affiliates and franchisees). Colliers’ primary service lines are Outsourcing & Advisory, Investment Management (“IM”), 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, 2022.

These Financial Statements follow the same accounting policies as the most recent audited consolidated financial statements, except as noted in Note 3. 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, 2023 and the results of operations and its cash flows for the three and nine months ended September 30, 2023 and 2022. All such adjustments are of a normal recurring nature. The results of operations for the nine-month period ended September 30, 2023, are not necessarily indicative of the results to be expected for the year ending December 31, 2023.

## **3. Impact of recently issued accounting standards**

### **Recently adopted accounting guidance**

#### *Contract Assets and Contract Liabilities from Contracts with Customers – Business Combinations*

In October 2021, the FASB issued ASU No. 2021-08, *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (Subtopic 805-10: Business Combinations)*. The ASU requires that recognition and measurement principles of ASC 606 Revenue Recognition be applied for contract assets and contract liabilities acquired in a business combination. The guidance in ASC 805 listing exceptions to recognition principle was amended to include contract assets and contract liabilities. The Company adopted the guidance effective January 1, 2023. 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 three 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. In December 2022, FASB issued ASU No. 2022-06 *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, with immediate effect, to defer the sunset date from December 31, 2022 to December 31, 2024, after which the entities will no longer be permitted to apply the relief in Topic 848. 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.

### Recently issued accounting guidance, not yet adopted

Management has reviewed the recently issued accounting guidance and there are no standards that have not yet been adopted that are expected to have a material impact on the Company's consolidated financial statements.

## 4. Acquisitions

### 2023 Acquisitions

During the nine months ended September 30, 2023, the Company acquired controlling interests in three engineering and design ("E&D") businesses. Two in Asia Pacific, Greenstone Group Ltd., a project management and property advisory firm in New Zealand and Craig & Rhodes Pty Limited, an engineering design and survey firm in Australia, and one in the Americas HILGARTWILSON, LLC, an engineering, planning and survey firm in the United States.

The acquisition date fair value of consideration transferred and the purchase price allocations are summarized as follows:

	<b>Aggregate Acquisitions</b>
Current assets, excluding cash	\$ 16,159
Non-current assets	8,936
Current liabilities	6,594
Long-term liabilities	8,313
	<b>\$ 10,188</b>
Cash consideration, net of cash acquired of \$7,268	\$ 61,295
Acquisition date fair value of contingent consideration	3,962
Total purchase consideration	<b>\$ 65,257</b>
Acquired intangible assets (note 8)	
Finite life	\$ 45,323
Goodwill	\$ 33,937
Redeemable non-controlling interest (note 14)	\$ 24,191

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, 2023, goodwill in the amount of \$20,739 is deductible for income tax purposes (December 31, 2022 - \$483,159).

### 2022 acquisitions

During the nine months ended September 30, 2022, the Company acquired controlling interests in eight businesses operating in the Americas, EMEA, Asia Pacific, and Investment Management. The acquisition date fair value of consideration transferred consisted of \$594,089 in cash (net of cash acquired of \$82,606).

### Contingent acquisition consideration

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, 2023, was \$59,999 (December 31, 2022 - \$91,229). See note 18 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, 2023, was \$87,849 (December 31, 2022 - \$61,870). The estimated range of outcomes (undiscounted) for all contingent consideration arrangements, including those with an element of compensation is determined based on the likelihood of achieving specified earnings levels over the contingency period, and ranges from \$353,083 to a maximum of \$410,547. These contingencies will expire during the period extending to September 2028.

## 5. Business disposals

In June 2023, the Company exited part of its operations in Peru. In relation to exiting these operations, \$9,739 of assets and \$6,788 of liabilities, which largely consisted of working capital, were derecognized from the Company's consolidated balance sheets. The proceeds received from the disposals were de minimus and in the three and nine-month periods ended September 30, 2023 the Company recognized a loss on disposal in the amount of \$2,282.

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

## 6. Real estate held for sale

From time to time, the Company's Investment Management segment purchases real estate 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 held for sale prior to the ultimate sale to the identified fund. 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.

In February 2023, the Company sold the portfolio of real estate held for sale as at December 31, 2022 to a newly established closed-end fund which is managed by the Company, without gain or loss.

In March 2023, the Company acquired controlling interests in two portfolios of land and buildings located in Europe (the "March 2023 RE Assets"). The Company expects to sell these portfolios, which are classified as held for sale, to a newly established closed-end fund which is managed by the Company, without gain or loss, before the end of 2023.

In July 2023, the Company acquired a controlling interest in a portfolio of land and buildings located in Europe (the "July 2023 RE Assets"). The Company sold the July 2023 RE Assets to a newly established closed-end fund which is managed by the Company, without gain or loss, during the third quarter of 2023.

As is customary for closed-end funds, the Company typically holds an equity interest of between 1% and 2% in these funds. There was no significant impact on net earnings related to real estate held for sale in the three months ended September 30, 2023, or 2022.

The following table summarizes the real estate held for sale.

	September 30, 2023	December 31, 2022
<b>Real estate held for sale</b>		
Real estate held for sale - current	\$ 42,081	\$ 45,353
Liabilities related to real estate held for sale - current	\$ -	\$ 1,353
<b>Net real estate held for sale</b>	<b>\$ 42,081</b>	<b>\$ 44,000</b>

## 7. Acquisition-related items

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Transaction costs	\$ 4,164	\$ 5,544	\$ 10,050	\$ 14,997
Contingent consideration fair value adjustments (note 18)	(7,023)	16	(4,339)	4,902
Contingent consideration compensation expense (note 4)	18,225	20,730	47,791	30,839
	<b>\$ 15,366</b>	<b>\$ 26,290</b>	<b>\$ 53,502</b>	<b>\$ 50,738</b>

## 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, 2023	Gross carrying amount	Accumulated amortization	Net
Indefinite life intangible assets:			
Licenses	\$ 29,200	\$ -	\$ 29,200
Trademarks and trade names	23,239	-	23,239
	\$ 52,439	\$ -	\$ 52,439
Finite life intangible assets:			
Customer lists and relationships	\$ 728,389	\$ 230,587	\$ 497,802
Investment management contracts	589,302	167,681	421,621
Mortgage servicing rights ("MSRs")	184,100	79,727	104,373
Trademarks and trade names	28,132	7,191	20,941
Management contracts and other	15,441	12,085	3,356
Backlog	9,248	6,776	2,472
	\$ 1,554,612	\$ 504,047	\$1,050,565
	\$ 1,607,051	\$ 504,047	\$1,103,004

<b>December 31, 2022</b>	<b>Gross carrying amount</b>	<b>Accumulated amortization</b>	<b>Net</b>
Indefinite life intangible assets:			
Licenses	\$ 29,200	\$ -	\$ 29,200
Trademarks and trade names	23,285	-	23,285
	\$ 52,485	\$ -	\$ 52,485
Finite life intangible assets:			
Customer lists and relationships	\$ 695,007	\$ 187,743	\$ 507,264
Investment management contracts	589,885	126,904	462,981
Mortgage servicing rights ("MSRs")	170,213	65,771	104,442
Trademarks and trade names	27,702	4,389	23,313
Management contracts and other	15,426	10,635	4,791
Backlog	8,299	3,665	4,634
	\$ 1,506,532	\$ 399,107	\$ 1,107,425
	\$ 1,559,017	\$ 399,107	\$ 1,159,910

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, 2023, or 2022.

The following table summarizes activity related to the Company's mortgage servicing rights for the nine months ended September 30, 2023:

	<b>2023</b>
Balance, January 1	\$ 104,442
Additions, following the sale of loan	13,887
Amortization	(11,032)
Prepayments and write-offs	(2,924)
Balance, September 30	\$ 104,373

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:

<b>For the year ended December 31,</b>	<b>MSRs</b>	<b>Other Intangibles</b>	<b>Total</b>
2023 (remaining three months)	\$ 3,345	\$ 31,601	\$ 34,946
2024	11,990	112,392	124,382
2025	11,022	102,576	113,598
2026	10,356	98,721	109,077
2027	9,651	92,913	102,564
Thereafter	58,009	507,989	565,998
	\$ 104,373	\$ 946,192	\$ 1,050,565

## 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. On April 28, 2023, the Company increased the Revolving Credit Facility by \$250,000 to \$1,750,000 as per the terms of the agreement. 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, 2023 was 6.9% (2022 – 3.5%). The Revolving Credit Facility had \$602,986 of available undrawn credit as at September 30, 2023 (\$557,594 as at December 31, 2022). As at September 30, 2023, letters of credit in the amount of \$12,525 were outstanding against the Revolving Credit Facility (\$12,365 as at December 31, 2022). The Revolving Credit Facility requires a commitment fee of 0.11% to 0.35% of the unused portion, depending on financial leverage ratios.

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, 2023. The Company is limited from undertaking certain mergers, acquisitions and dispositions without prior approval.

## 10. Convertible notes

On April 4, 2023, the Company issued a notice of redemption to all holders of its 4.0% Convertible Senior Subordinated Notes (the “Convertible Notes”). Prior to June 30, 2023, \$230,000 of Convertible Notes were converted and redeemed into 4,015,720 Subordinate Voting Shares. Accrued and unpaid interest for the period from December 1, 2022 to the redemption date of June 1, 2023 was paid.

Upon the conversion and redemption of Convertible Notes, the unamortized financing cost of \$2,899 was settled as part of the Convertible Notes, in exchange for equity.

## 11. Warehouse credit facilities

The following table summarizes the Company’s mortgage warehouse credit facilities:

	Current Maturity	September 30, 2023		December 31, 2022	
		Maximum Capacity	Carrying Value	Maximum Capacity	Carrying Value
Facility A - SOFR plus 1.40%	October 17, 2024	\$ 275,000	\$ 48,309	\$ 125,000	\$ 1,924
Facility B - SOFR plus 1.70%	On demand	125,000	-	125,000	7,619
Facility C - SOFR plus 1.60%	N/A	-	-	150,000	14,743
		<b>\$ 400,000</b>	<b>\$ 48,309</b>	<b>\$ 400,000</b>	<b>\$ 24,286</b>

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 April 17, 2023, the Company terminated Facility C and amended Facility A to increase the borrowing capacity to \$275,000 with the right to increase its borrowing capacity up to an additional \$150,000. The amendment also modified the interest rate to SOFR plus 1.40% without any change in the maturity.

On October 17, 2023, the Company amended the financing agreement for Facility A to extend the maturity date to October 19, 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 September 28, 2023, the Company expanded the committed availability of its AR Facility with two third-party financial institutions to \$200,000, from \$175,000, with the term expiring on October 24, 2024. As of September 30, 2023, the Company's draw under the AR Facility was \$197,977.

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, 2023, 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. As at September 30, 2023, the DPP was \$89,404 (December 31, 2022 - \$92,278) and was included in Prepaid expenses and other current assets on the Consolidated Balance Sheets. For the nine months ending September 30, 2023, Receivables sold under the AR Facility were \$1,217,910 and cash collections from customers on Receivables sold were \$1,188,312, 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, 2023, the outstanding principal on trade accounts receivable, net of expected credit losses, sold under the AR Facility was \$183,294; and the outstanding principal on contract assets, current and non-current, sold under the AR Facility was \$128,880. See note 18 for fair value information on the DPP.

For the nine months ended September 30, 2023, the Company recognized a gain related to Receivables sold of \$33 (2022 - \$205 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, 2023, were \$88,224.

**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%). Equity co-investments are included in Other non-current assets on the Consolidated Balance Sheets.

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

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Equity accounted investments	\$ 26,792	\$ 22,361
Co-investment commitments	45,253	18,588
Maximum exposure to loss	\$ 72,045	\$ 40,949

**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:

	<b>2023</b>
Balance, January 1	<b>\$ 1,079,306</b>
RNCI share of earnings	<b>36,586</b>
RNCI redemption increment	<b>26,393</b>
Distributions paid to RNCI	<b>(67,197)</b>
Purchase of interests from RNCI	<b>(27,897)</b>
Sale of interests to RNCI	<b>1,997</b>
RNCI recognized on business acquisitions	<b>24,191</b>
Balance, September 30	<b>\$ 1,073,379</b>

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, 2023, was \$969,859 (December 31, 2022 - \$1,027,124). 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, 2023, approximately 8,890,000 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. The impact of stock options for the nine-month period ended September 30, 2023, which was calculated using the 'treasury stock method', is anti-dilutive as 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. The Convertible Notes were issued on May 19, 2020 and were fully converted or redeemed by June 1, 2023. (See note 10) The "if-converted" method is used if the impact of the assumed conversion is dilutive. When dilutive, the interest charges (net of income tax) recorded in relation to the Convertible Notes prior to conversion or redemption is adjusted from the numerator and the additional shares issuable on conversion of the Convertible Notes for the portion of the period while they were outstanding are added to the denominator of the earnings per share calculation. The "if-converted" method was anti-dilutive for the three-month and nine-month periods ended September 30, 2022.

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

(in thousands)	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Net earnings (loss) attributable to Company	\$ 25,113	\$ 12,028	\$ (1,890)	\$ 23,749
After-tax interest on Convertible Notes	-	-	(119)	-
Adjusted numerator considering the If-Converted Method	\$ 25,113	\$ 12,028	\$ (2,009)	\$ 23,749
Weighted average common shares - Basic	47,206	43,283	45,122	43,558
Exercise of stock options	343	487	-	589
Conversion of Convertible Notes	-	-	382	-
Weighted average common shares - Diluted	47,549	43,770	45,504	44,147

## 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, 2023, there were 883,550 options available for future grants.

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

Stock option activity for the nine months ended September 30, 2023 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, 2022	3,053,000	\$ 94.30		
Granted	23,750	99.18		
Exercised	(338,875)	67.88		
Forfeited	(15,250)	123.91		
Shares issuable under options - September 30, 2023	2,722,625	\$ 97.47	2.7	\$ 23,024
Options exercisable - September 30, 2023	1,090,283	\$ 86.70	1.8	\$ 16,755

The amount of compensation expense recorded in the statement of earnings for the three and nine months ended September 30, 2023 was \$5,513 and \$16,726, respectively (2022 - \$4,730 and \$14,081). As of September 30, 2023, there was \$25,724 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, 2023, the fair value of options vested was \$3,670 (2022 - \$4,892).

## 17. Income tax

The provision for income tax for the nine months ended September 30, 2023, reflected an effective tax rate of 37.5% (2022 - 34.6%) relative to the combined statutory rate of approximately 26.5% (2022 - 26.5%). The current year's rate was impacted by the amortization of intangible assets and contingent acquisition consideration associated with an investment in a UK flowthrough entity, on which no tax benefit was recognizable.

**18. 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, 2023:

	Level 1	Level 2	Level 3
<b>Assets</b>			
Cash equivalents	\$ 3,933	\$ -	\$ -
Equity securities	5,882	5	-
Debt securities	-	17,077	-
Mortgage derivative assets	-	-	17,171
Warehouse receivables	-	54,957	-
Interest rate swap assets	-	17,867	-
Deferred Purchase Price on AR Facility	-	-	89,404
<b>Total assets</b>	<b>\$ 9,815</b>	<b>\$ 89,906</b>	<b>\$ 106,575</b>
<b>Liabilities</b>			
Mortgage derivative liabilities	\$ -	\$ -	\$ 12,704
Contingent consideration liabilities	-	-	59,999
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 72,703</b>

Other than the assets and liabilities acquired in relation to business combinations (see note 4), there were no significant non-recurring fair value measurements recorded during the nine months ended September 30, 2023.

**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 sale commitments are derivative instruments which use a discounted cash flow model and 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 unobservable inputs related to counterparty non-performance risk when measuring the fair value of these derivatives. Therefore, these mortgage-related derivatives are categorized as Level 3. The mortgage-related derivative assets and liabilities are included in Prepaid expenses and other current assets and Accounts payable and accrued expenses, respectively, on the consolidated balance sheets.

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.

Changes in the fair value of the net mortgage derivative assets and liabilities comprises the following:

	<b>2023</b>
Balance, January 1	\$ 6,949
Settlements	(35,667)
Realized gains recorded in earnings	17,266
Unrealized gains recorded in earnings	15,919
Balance, September 30	\$ 4,467

### 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, 2023, all warehouse facility liabilities are supported by mortgage warehouse receivables which are under commitment to be purchased 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:

	<b>2023</b>
Balance, January 1	\$ 92,278
Additions to DPP	88,224
Collections on DPP	(91,207)
Fair value adjustment	33
Foreign exchange and other	76
Balance, September 30	\$ 89,404

### Interest rate swaps

The Company has entered into interest rate swap agreements ("IRS") to convert floating interest on US dollar denominated debt to fixed interest rates. The interest rate swaps are measured at fair value and are included in Other assets on the consolidated balance sheets. The table below summarizes the details of the interest rate swaps in place as at September 30, 2023.

	Effective Date	Maturity Date	Notional Amount of US dollar debt	Interest rates	
				Floating	Fixed
2022 IRS A	July 15, 2022	May 27, 2027	\$ 150,000	SOFR	2.8020%
2022 IRS B	December 21, 2022	May 27, 2027	\$ 250,000	SOFR	3.5920%
2023 IRS	April 28, 2023	May 27, 2027	\$ 100,000	SOFR	3.7250%

2022 IRS A, 2022 IRS B and 2023 IRS (collectively the "Designated IRSs") are being accounted for as cash flow hedges and are measured at fair value on the consolidated balance sheets. Gains or losses on the Designated IRSs, which are determined to be effective as hedges, are reported in accumulated other comprehensive income ("AOCI").

In the three months and nine months ended September 30, 2023, nil and \$825 of the AOCI, respectively, was included in interest expense on the consolidated statements of earnings (2022 - \$644 and \$1,889) associated with an IRS that was entered into in December 2018 and which was dedesignated as a hedging relationship on July 1, 2021. This IRS matured on April 30, 2023.

### 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 3.5% to 10.3%, with a weighted average of 5.6%). 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 \$1,900. See note 4 for discussion on contingent acquisition consideration.

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

	<b>2023</b>
Balance, January 1	\$ 91,229
Amounts recognized on acquisitions	3,962
Fair value adjustments (note 7)	(4,339)
Resolved and settled in cash	(31,197)
Other	344
Balance, September 30	\$ 59,999
Less: current portion	\$ 16,961
Non-current portion	\$ 43,038

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.

	<b>September 30, 2023</b>		<b>December 31, 2022</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
Senior Notes	\$ 503,036	\$ 406,698	\$ 506,533	\$ 414,195
Convertible Notes (note 10)	-	-	226,534	366,183

**19. Commitments and Contingencies**

*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 accrued, 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 Delegated Underwriting & Servicing Program (the "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 18, 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, 2023, the Company has funded and sold loans subject to such loss sharing obligations with an aggregate unpaid principal balance of approximately \$4,854,000. As at September 30, 2023, the loss reserve was \$13,694 (December 31, 2022 - \$14,470) 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, 2023, Colliers Mortgage was in compliance with all such requirements.

## 20. 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.

**OPERATING SEGMENT REVENUES**

	Americas	EMEA	Asia Pacific	IM	Corporate	Consolidated
<b>Three months ended September 30,</b>						
<b>2023</b>						
Leasing	\$ 184,754	\$ 32,062	\$ 32,965	\$ -	\$ -	\$ 249,781
Capital Markets	109,801	23,177	27,315	-	-	160,293
E&D and Project management	169,158	62,739	31,069	-	-	262,966
Property management	82,266	20,094	29,328	-	-	131,688
Valuation and advisory	47,510	33,718	21,682	-	-	102,910
IM - Advisory and other	-	-	-	118,117	-	118,117
IM - Incentive Fees	-	-	-	600	-	600
Other	25,776	2,222	1,567	-	112	29,677
<b>Total Revenue</b>	<b>\$ 619,265</b>	<b>\$ 174,012</b>	<b>\$ 143,926</b>	<b>\$ 118,717</b>	<b>\$ 112</b>	<b>\$ 1,056,032</b>
<b>2022</b>						
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
<b>Total Revenue</b>	<b>\$ 695,058</b>	<b>\$ 164,198</b>	<b>\$ 152,845</b>	<b>\$ 96,070</b>	<b>\$ 153</b>	<b>\$ 1,108,324</b>
<b>Nine months ended September 30,</b>						
<b>2023</b>						
Leasing	\$ 567,420	\$ 88,031	\$ 89,401	\$ -	\$ -	\$ 744,852
Capital Markets	347,983	64,926	82,140	-	-	495,049
E&D and Project management	475,428	175,725	84,724	-	-	735,877
Property management	240,139	59,814	86,117	-	-	386,070
Valuation and advisory	132,993	97,593	68,238	-	-	298,824
IM - Advisory and other	-	-	-	357,723	-	357,723
IM - Incentive Fees	-	-	-	600	-	600
Other	68,185	5,112	7,314	-	367	80,978
<b>Total Revenue</b>	<b>\$ 1,832,148</b>	<b>\$ 491,201</b>	<b>\$ 417,934</b>	<b>\$ 358,323</b>	<b>\$ 367</b>	<b>\$ 3,099,973</b>
<b>2022</b>						
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
<b>Total Revenue</b>	<b>\$ 2,077,467</b>	<b>\$ 486,794</b>	<b>\$ 414,829</b>	<b>\$ 257,595</b>	<b>\$ 397</b>	<b>\$ 3,237,082</b>

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, 2023, \$7,909 and \$29,398 of Capital Markets revenue (2022 - \$22,998 and \$49,594) and \$11,784 and \$33,513 of Other Revenue (2022 - \$14,176 and \$42,053) respectively, was excluded from the scope of ASC 606. Substantially all of these revenues were included within the Americas segment.

### Contract balances

As at September 30, 2023, the Company had contract assets totaling \$100,904 of which \$83,765 was current (\$107,679 as at December 31, 2022 - of which \$91,924 was current). During the nine months ended September 30, 2023, approximately 85% of the current contract assets were moved to accounts receivable or sold under the AR Facility (Note 12).

As at September 30, 2023, the Company had contract liabilities (all current) totaling \$57,413 (\$25,616 as at December 31, 2022). \$1,119 and \$19,771 of the contract liability balance at the beginning of the year was recognized to revenue in the three and nine months ended September 30, 2023, respectively (2022 - \$793 and \$25,960).

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

## 21. Segmented information

### Operating segments

Colliers has identified four reportable operating segments. Three segments are grouped geographically into Americas, Asia Pacific and EMEA. The Investment Management segment operates in the Americas and EMEA. The groupings are based on the manner in which the segments are managed. Management assesses each segment's performance based on operating earnings or operating earnings before depreciation and amortization. Corporate includes the unallocated costs of global administrative functions and the corporate head office. Operating earnings (loss) for the three and nine month periods ended September 30, 2023, include losses on disposal of the Company's operations of nil and \$2,282, respectively (2022 - \$318 and 27,358). The losses on disposal in 2023 are all in the Americas and substantially all of the losses in 2022 were in EMEA (see note 5).

### OPERATING SEGMENTS

	Americas	EMEA	Asia Pacific	IM	Corporate	Consolidated
<b>Three months ended September 30</b>						
<b>2023</b>						
Revenues	\$ 619,265	\$ 174,012	\$ 143,926	\$ 118,717	\$ 112	\$ 1,056,032
Depreciation and amortization	22,996	6,819	2,937	17,823	588	51,163
Operating earnings (loss)	42,021	6,676	12,134	20,388	(10,320)	70,899
<b>2022</b>						
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

	Americas	EMEA	Asia Pacific	IM	Corporate	Consolidated
<b>Nine months ended September 30</b>						
<b>2023</b>						
Revenues	\$ 1,832,148	\$ 491,201	\$ 417,934	\$ 358,323	\$ 367	\$ 3,099,973
Depreciation and amortization	62,758	24,595	8,718	53,512	1,866	151,449
Operating earnings (loss)	121,342	(23,411)	36,727	61,599	(27,952)	168,305
<b>2022</b>						
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

*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	
	2023	2022	2023	2022
<b>United States</b>				
Revenues	\$ 571,354	\$ 652,370	\$ 1,728,995	\$ 1,902,830
Total long-lived assets			2,308,705	1,787,694
<b>Canada</b>				
Revenues	\$ 110,211	\$ 104,051	\$ 317,753	\$ 350,320
Total long-lived assets			80,238	76,170
<b>Euro currency countries</b>				
Revenues	\$ 89,509	\$ 95,430	\$ 273,937	\$ 283,392
Total long-lived assets			355,774	334,633
<b>Australia</b>				
Revenues	\$ 67,443	\$ 70,210	\$ 195,105	\$ 185,682
Total long-lived assets			111,720	109,133
<b>United Kingdom</b>				
Revenues	\$ 68,024	\$ 59,599	\$ 184,356	\$ 144,809
Total long-lived assets			520,920	523,486
<b>China</b>				
Revenues	\$ 18,847	\$ 21,957	\$ 57,954	\$ 67,497
Total long-lived assets			8,552	7,835
<b>Other</b>				
Revenues	\$ 130,644	\$ 104,707	\$ 341,873	\$ 302,552
Total long-lived assets			275,965	136,126
<b>Consolidated</b>				
Revenues	\$ 1,056,032	\$ 1,108,324	\$ 3,099,973	\$ 3,237,082
Total long-lived assets			3,661,874	2,975,077