



COLLIERS INTERNATIONAL GROUP INC.

Interim Consolidated Financial Statements

(unaudited)

Second Quarter | June 30, 2023

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	
	2023	2022	2023	2022
Revenues (note 20)	\$ 1,078,038	\$ 1,127,846	\$ 2,043,941	\$ 2,128,758
Cost of revenues (exclusive of depreciation and amortization shown below)	640,650	703,302	1,226,910	1,334,855
Selling, general and administrative expenses	297,382	266,282	578,921	516,994
Depreciation	13,464	11,818	26,113	23,867
Amortization of intangible assets	37,330	32,279	74,173	56,870
Acquisition-related items (note 7)	11,668	9,365	38,136	24,448
Loss on disposal of operations (note 5)	2,282	950	2,282	27,040
Operating earnings	75,262	103,850	97,406	144,684
Interest expense, net	24,670	9,571	47,502	15,889
Earnings from equity accounted investments	(532)	(906)	(3,686)	(4,066)
Other income	(354)	(156)	(520)	(124)
Earnings before income tax	51,478	95,341	54,110	132,985
Income tax expense (note 17)	16,477	28,610	20,016	44,937
Net earnings	35,001	66,731	34,094	88,048
Non-controlling interest share of earnings	13,816	11,806	24,757	20,322
Non-controlling interest redemption increment (note 14)	28,036	24,564	36,340	56,005
Net earnings (loss) attributable to Company	\$ (6,851)	\$ 30,361	\$ (27,003)	\$ 11,721
Net earnings (loss) per common share (note 15)				
Basic	\$ (0.15)	\$ 0.70	\$ (0.61)	\$ 0.27
Diluted	\$ (0.16)	\$ 0.67	\$ (0.61)	\$ 0.26

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	
	2023	2022	2023	2022
Net earnings	\$ 35,001	\$ 66,731	\$ 34,094	\$ 88,048
Other comprehensive earnings (loss), net of tax:				
Change in foreign currency translation	(2,831)	(12,829)	(2,834)	(14,820)
Reclassification of accumulated foreign currency translation on disposal of operations (note 5)	541	36	541	18,272
Unrealized gain on interest rate swaps, net of tax	8,419	460	4,535	924
Pension liability adjustments, net of tax	-	-	(257)	9
Total other comprehensive earnings (loss), net	6,129	(12,333)	1,985	4,385
Comprehensive earnings	41,130	54,398	36,079	92,433
Less: Comprehensive earnings attributable to non-controlling interests	42,970	43,557	60,514	85,377
Comprehensive earnings (loss) attributable to Company	\$ (1,840)	\$ 10,841	\$ (24,435)	\$ 7,056

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, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 172,371	\$ 173,661
Restricted cash	85,207	25,381
Accounts receivable, net of allowance of \$26,433 (December 31, 2022 - \$25,332)	584,572	577,879
Contract assets (note 20)	84,739	91,924
Warehouse receivables (note 18)	77,443	29,623
Income tax recoverable	26,653	21,970
Prepaid expenses and other current assets	260,837	247,635
Real estate held for sale (note 6)	41,084	45,353
	1,332,906	1,213,426
Other receivables	13,048	12,461
Contract assets (note 20)	16,047	15,755
Other assets	153,210	138,510
Fixed assets	182,944	164,493
Operating lease right-of-use assets	365,198	341,623
Deferred tax assets, net	67,959	63,460
Intangible assets (note 8)	1,138,168	1,159,910
Goodwill	2,028,895	1,988,539
	3,965,469	3,884,751
	\$ 5,298,375	\$ 5,098,177
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued expenses	\$ 531,177	\$ 503,189
Accrued compensation	477,141	625,565
Income tax payable	11,937	32,282
Contract liabilities (note 20)	45,136	25,616
Long-term debt - current (note 9)	8,960	1,360
Contingent acquisition consideration - current (note 18)	44,455	42,942
Warehouse credit facilities (note 11)	70,009	24,286
Operating lease liabilities	88,659	84,989
Liabilities related to real estate held for sale (note 6)	-	1,353
	1,277,474	1,341,582
Long-term debt (note 9)	1,659,461	1,437,739
Contingent acquisition consideration (note 18)	51,371	48,287
Operating lease liabilities	348,707	322,496
Other liabilities	106,008	91,105
Deferred tax liabilities, net	44,722	57,754
Convertible notes (note 10)	-	226,534
	2,210,269	2,183,915
Redeemable non-controlling interests (note 14)	1,093,696	1,079,306
Shareholders' equity		
Common shares	1,092,843	845,680
Contributed surplus	112,707	104,504
Deficit	(418,279)	(384,199)
Accumulated other comprehensive loss	(73,720)	(76,288)
Total Company shareholders' equity	713,551	489,697
Non-controlling interests	3,385	3,677
Total shareholders' equity	716,936	493,374
	\$ 5,298,375	\$ 5,098,177

Commitments and contingencies and subsequent events (note 19 and note 22)

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, 2023

	Common shares		Contributed surplus	Deficit	Accumulated other comprehensive loss	Non-controlling interests	Total shareholders' equity
	Issued and outstanding shares	Amount					
Balance, December 31, 2022	42,933,156	\$ 845,680	\$ 104,504	\$ (384,199)	\$ (76,288)	\$ 3,677	\$ 493,374
Net earnings	-	-	-	34,094	-	-	34,094
Pension liability adjustment, net of tax	-	-	-	-	(257)	-	(257)
Foreign currency translation loss	-	-	-	-	(2,834)	-	(2,834)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	4,535	-	4,535
Other comprehensive earnings attributable to NCI	-	-	-	-	583	277	860
NCI share of earnings	-	-	-	(24,757)	-	1,666	(23,091)
NCI redemption increment	-	-	-	(36,340)	-	-	(36,340)
Distributions to NCI	-	-	-	-	-	(993)	(993)
Disposal of businesses, net	-	-	-	-	-	(32)	(32)
Reclass to net earnings on disposal of operations (note 5)	-	-	-	-	541	(1,210)	(669)
Subsidiaries' equity transactions	-	-	1,481	-	-	-	1,481
Subordinate Voting Shares:							
Redemption of Convertible Notes (note 10)	4,015,720	227,101	-	-	-	-	227,101
Stock option expense	-	-	11,213	-	-	-	11,213
Stock options exercised	230,500	20,062	(4,491)	-	-	-	15,571
Dividends	-	-	-	(7,077)	-	-	(7,077)
Balance, June 30, 2023	47,179,376	\$ 1,092,843	\$ 112,707	\$ (418,279)	\$ (73,720)	\$ 3,385	\$ 716,936

Three months ended June 30, 2023

	Common shares		Contributed surplus	Deficit	Accumulated other comprehensive loss	Non-controlling interest	Total shareholders' equity
	Issued and outstanding shares	Amount					
Balance, March 31, 2023	43,163,656	\$ 865,742	\$ 106,008	\$ (404,351)	\$ (78,731)	\$ 4,603	\$ 493,271
Net earnings	-	-	-	35,001	-	-	35,001
Foreign currency translation loss	-	-	-	-	(2,831)	-	(2,831)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	8,419	-	8,419
Other comprehensive earnings attributable to NCI	-	-	-	-	(1,118)	100	(1,018)
NCI share of earnings	-	-	-	(13,816)	-	739	(13,077)
NCI redemption increment	-	-	-	(28,036)	-	-	(28,036)
Distributions to NCI	-	-	-	-	-	(847)	(847)
Reclass to net earnings on disposal of operations (note 5)	-	-	-	-	541	(1,210)	(669)
Subsidiaries' equity transactions	-	-	1,143	-	-	-	1,143
Subordinate Voting Shares:							
Redemption of Convertible Notes (note 10)	4,015,720	227,101	-	-	-	-	227,101
Stock option expense	-	-	5,556	-	-	-	5,556
Dividends	-	-	-	(7,077)	-	-	(7,077)
Balance, June 30, 2023	47,179,376	\$ 1,092,843	\$ 112,707	\$ (418,279)	\$ (73,720)	\$ 3,385	\$ 716,936

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	(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	(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

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	
	2023	2022	2023	2022
Cash provided by (used in)				
Operating activities				
Net earnings	\$ 35,001	\$ 66,731	\$ 34,094	\$ 88,048
Items not affecting cash:				
Depreciation and amortization	50,794	44,097	100,286	80,737
Loss on disposal of operations (note 5)	2,282	950	2,282	27,040
Gains attributable to mortgage servicing rights	(6,052)	(2,526)	(9,087)	(7,823)
Gains attributable to the fair value of mortgage premiums and origination fees	(4,009)	(4,272)	(8,026)	(11,554)
Deferred tax	(10,915)	(16)	(21,904)	(11,193)
Earnings from equity accounted investments	(532)	(906)	(3,686)	(4,066)
Stock option expense (note 16)	5,556	4,490	11,213	9,351
Amortization of advisor loans	8,274	6,548	15,884	12,781
Contingent consideration (note 7)	8,037	8,505	32,249	14,995
Other	9,877	4,205	10,861	7,568
Increase in accounts receivable, prepaid expenses and other assets	(26,970)	(165,922)	(56,725)	(337,927)
Increase (decrease) in accounts payable, accrued expenses and other	(2,654)	(19,206)	457	(9,346)
Increase (decrease) in accrued compensation	26,678	60,535	(153,630)	(208,235)
Contingent acquisition consideration paid	(2,719)	(1,257)	(2,991)	(60,810)
Proceeds received on sale of mortgage loans	504,824	296,613	604,072	666,524
Principal funded on originated mortgage loans	(456,216)	(200,476)	(640,724)	(514,549)
Increase (decrease) in warehouse credit facilities	(42,323)	(88,610)	45,722	(135,704)
Sales to AR Facility, net (note 12)	40	22,916	6,058	145,853
Net cash provided by (used in) operating activities	98,973	32,399	(33,595)	(248,310)
Investing activities				
Acquisitions of businesses, net of cash acquired (note 4)	(59,698)	(328,120)	(59,698)	(380,598)
Purchases of fixed assets	(22,179)	(13,581)	(41,062)	(23,416)
Advisor loans issued	(14,787)	(9,460)	(35,558)	(22,899)
Purchase of held for sale real estate assets	(2,580)	(117,042)	(40,576)	(117,042)
Proceeds from sale of held for sale real estate assets	-	48,505	44,000	48,505
Collections of AR facility deferred purchase price (note 12)	28,539	90,101	59,311	256,429
Other investing activities	6,311	(1,222)	6,015	(8,748)
Net cash used in investing activities	(64,394)	(330,819)	(67,568)	(247,769)
Financing activities				
Increase in long-term debt	222,698	479,931	579,782	674,866
Repayment of long-term debt	(175,450)	(134,255)	(360,114)	(137,460)
Purchases of non-controlling interests' subsidiary shares, net	(3,789)	(7,595)	(16,333)	(33,557)
Contingent acquisition consideration paid	(547)	(1,322)	(1,082)	(42,211)
Proceeds received on exercise of stock options	-	42	15,571	11,256
Dividends paid to common shareholders	-	-	(6,440)	(6,608)
Distributions paid to non-controlling interests	(40,059)	(26,628)	(51,120)	(41,554)
Repurchases of Subordinate Voting Shares	-	(53,681)	-	(126,366)
Other financing activities	(803)	(3,049)	(852)	(3,098)
Net cash provided by financing activities	2,050	253,443	159,412	295,268
Effect of exchange rate changes on cash	(1,704)	(14,167)	287	(18,006)

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	
	2023	2022	2023	2022
Net change in cash, cash equivalents and restricted cash	34,925	(59,144)	58,536	(218,817)
Cash, cash equivalents and restricted cash, beginning of period	222,653	265,598	199,042	425,271
Cash, cash equivalents and restricted cash, end of period	\$ 257,578	\$ 206,454	\$ 257,578	\$ 206,454

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

Colliers International Group Inc.
Notes to Consolidated Financial Statements

(unaudited)

(in thousands of US dollars, except share and per share amounts)

1. Description of the business

Colliers International Group Inc. (“Colliers” or the “Company”) provides commercial real estate professional services and investment management to corporate and institutional clients in 34 countries around the world (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 June 30, 2023 and the results of operations and its cash flows for the three and six months ended June 30, 2023 and 2022. All such adjustments are of a normal recurring nature. The results of operations for the six-month period ended June 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 six months ended June 30, 2023, the Company acquired controlling interests in three businesses. Two in Asia Pacific, Greenstone Group Ltd., a project management and property advisory firm 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.

As of June 30, 2023, the Company has not completed its analysis to assign fair values to all the identifiable tangible and intangible assets acquired in 2023 and, therefore, the purchase price allocations for these acquired businesses are preliminary and subject to change within the respective measurement period which will not extend beyond one year from the acquisition date. The acquisition date fair value of consideration transferred and the preliminary purchase price allocations are summarized as follows:

	Aggregate Acquisitions
Current assets, excluding cash	\$ 16,241
Non-current assets	6,552
Current liabilities	5,816
Long-term liabilities	9,313
	\$ 7,664
Cash consideration, net of cash acquired of \$7,274	\$ 59,698
Acquisition date fair value of contingent consideration	1,582
Total purchase consideration	\$ 61,280
Acquired intangible assets (note 8)	
Finite life	\$ 41,341
Goodwill	\$ 36,483
Redeemable non-controlling interest (note 14)	\$ 24,208

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, 2023, goodwill in the amount of \$24,921 is deductible for income tax purposes (December 31, 2022 - \$483,159).

2022 acquisitions

During the six months ended June 30, 2022, the Company acquired controlling interests in six businesses operating in the Americas, EMEA, and Investment Management. The acquisition date fair value of consideration transferred consisted of \$377,150 in cash (net of cash acquired of \$73,270).

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 June 30, 2023, was \$95,826 (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 June 30, 2023, was \$88,451 (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 formula price and the likelihood of achieving specified earnings levels over the contingency period, and ranges from \$378,455 to a maximum of \$436,472. These contingencies will expire during the period extending to December 2027.

5. Business disposals

In June 2023, the Company exited part of its operations in Peru. In relation to exiting this portion of the Peru 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 six-month periods ended June 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 six-month periods end June 30, 2022, the Company recognized an aggregated loss on disposal of operations in the amount of \$950 and \$27,040 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 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.

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 and six months ended June 30, 2023, or 2022.

The following table summarizes the real estate held for sale:

	June 30, 2023	December 31, 2022
Real estate held for sale		
Real estate held for sale - current	\$ 41,084	\$ 45,353
Liabilities related to real estate held for sale - current	\$ -	\$ 1,353
Net real estate held for sale	\$ 41,084	\$ 44,000

7. Acquisition-related items

	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Transaction costs	\$ 3,631	\$ 2,737	\$ 5,887	\$ 9,452
Contingent consideration fair value adjustments (note 18)	473	(480)	2,684	4,887
Contingent consideration compensation expense (note 4)	7,564	7,108	29,565	10,109
	\$ 11,668	\$ 9,365	\$ 38,136	\$ 24,448

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, 2023	Gross carrying amount	Accumulated amortization	Net
Indefinite life intangible assets:			
Licenses	\$ 29,200	\$ -	\$ 29,200
Trademarks and trade names	23,356	-	23,356
	\$ 52,556	\$ -	\$ 52,556
Finite life intangible assets:			
Customer lists and relationships	\$ 732,456	\$ 219,560	\$ 512,896
Investment management contracts	591,074	154,261	436,813
Mortgage servicing rights ("MSRs")	180,962	74,566	106,396
Trademarks and trade names	27,904	6,253	21,651
Management contracts and other	15,410	11,692	3,718
Backlog	8,794	4,656	4,138
	\$ 1,556,600	\$ 470,988	\$ 1,085,612
	\$ 1,609,156	\$ 470,988	\$ 1,138,168

December 31, 2022	Gross carrying amount	Accumulated amortization	Net
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 six-month period ended June 30, 2023, or 2022.

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

	2023
Balance, January 1	\$ 104,442
Additions, following the sale of loan	10,749
Amortization	(7,327)
Prepayments and write-offs	(1,468)
Balance, June 30	\$ 106,396

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
2023 (remaining six months)	\$ 6,809	\$ 66,813	\$ 73,622
2024	12,207	111,715	123,922
2025	11,340	101,984	113,324
2026	10,680	98,186	108,866
2027	10,013	92,377	102,390
Thereafter	55,347	508,141	563,488
	\$ 106,396	\$ 979,216	\$ 1,085,612

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 June 30, 2023 was 6.5% (2022 – 2.4%). The Revolving Credit Facility had \$593,350 of available undrawn credit as at June 30, 2023 (\$557,594 as at December 31, 2022). As at June 30, 2023, letters of credit in the amount of \$12,656 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 June 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”). During the three-month period ended 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 as at June 30, 2023:

	Current Maturity	June 30, 2023		December 31, 2022	
		Maximum Capacity	Carrying Value	Maximum Capacity	Carrying Value
Facility A - SOFR plus 1.40%	October 19, 2023	\$ 275,000	\$ 70,009	\$ 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
		\$ 400,000	\$ 70,009	\$ 400,000	\$ 24,286

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.

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 October 28, 2022, the Company expanded the committed availability of its AR Facility with two third-party financial institutions to \$175,000, from \$150,000, with a term extending to October 24, 2024. As of June 30, 2023, the Company's draw under the AR Facility was \$175,000.

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, 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 June 30, 2023, the DPP was \$101,761 (December 31, 2022 - \$92,278) and was included in Prepaid expenses and other current assets on the Consolidated Balance Sheets. For the six months ending June 30, 2023, Receivables sold under the AR Facility were \$817,734 and cash collections from customers on Receivables sold were \$801,405, 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, 2023, the outstanding principal on trade accounts receivable, net of expected credit losses, sold under the AR Facility was \$173,937; and the outstanding principal on contract assets, current and non-current, sold under the AR Facility was \$129,047. See note 18 for fair value information on the DPP.

For the six months ended June 30, 2023, the Company recognized a gain related to Receivables sold of \$108 (2022 - \$108 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 six months ended June 30, 2023, were \$68,218.

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:

	June 30, 2023	December 31, 2022
Equity accounted investments	\$ 26,887	\$ 22,361
Co-investment commitments	44,867	18,588
Maximum exposure to loss	\$ 71,754	\$ 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:

	2023
Balance, January 1	\$ 1,079,306
RNCI share of earnings	23,091
RNCI redemption increment	36,340
Distributions paid to RNCI	(51,736)
Purchase of interests from RNCI	(19,510)
Sale of interests to RNCI	1,997
RNCI recognized on business acquisitions (note 4)	24,208
Balance, June 30	\$ 1,093,696

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, 2023, was \$1,007,602 (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 June 30, 2023, approximately 10,400,000 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 would be anti-dilutive when the numerator is in a loss position. Consequently, the stock options would be anti-dilutive for the three and six-month periods ended June 30, 2023.

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 is dilutive for the three-month period ended June 30, 2023 and for the three-month period ended June 30, 2022. The "if-converted" method is anti-dilutive for the six-month period ended June 30, 2023 and for the six-month period ended June 30, 2022.

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

(in thousands)	Three months ended		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Net earnings (loss) attributable to Company	\$ (6,851)	\$ 30,361	\$ (27,003)	\$ 11,721
After-tax interest on Convertible Notes	(476)	1,691	-	-
Adjusted numerator considering the If-Converted Method	\$ (7,327)	\$ 32,052	\$ (27,003)	\$ 11,721
Weighted average common shares - Basic	45,069	43,336	44,064	43,698
Exercise of stock options	-	494	-	630
Conversion of Convertible Notes	293	3,974	-	-
Weighted average common shares - Diluted	45,362	47,804	44,064	44,328

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

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

There were 23,750 stock options granted during the six months ended June 30, 2023 (2022 - 28,750). Stock option activity for the six months ended June 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	(230,500)	67.55		
Forfeited	(15,250)	123.91		
Shares issuable under options -				
June 30, 2023	2,831,000	\$ 96.36	2.9	\$ 32,073
Options exercisable - June 30, 2023	1,182,158	\$ 84.83	1.9	\$ 22,446

The amount of compensation expense recorded in the statement of earnings for the three and six months ended June 30, 2023 was \$5,556 and \$11,213, respectively (2022 - \$4,490 and \$9,351). As of June 30, 2023, there was \$31,215 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, 2023, the fair value of options vested was \$3,067 (2022 - \$4,461).

17. Income tax

The provision for income tax for the six months ended June 30, 2023, reflected an effective tax rate of 37.0% (2022 - 33.8%) 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 June 30, 2023:

	Level 1	Level 2	Level 3
Assets			
Cash equivalents	\$ 4,518	\$ -	\$ -
Equity securities	8,018	5	-
Debt securities	-	18,582	-
Mortgage derivative assets	-	-	17,023
Warehouse receivables	-	77,443	-
Interest rate swap assets	-	12,286	-
Deferred Purchase Price on AR Facility	-	-	101,761
Total assets	\$ 12,536	\$ 108,316	\$ 118,784
Liabilities			
Mortgage derivative liabilities	\$ -	\$ -	\$ 12,737
Contingent consideration liabilities	-	-	95,826
Total liabilities	\$ -	\$ -	\$ 108,563

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 six months ended June 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.

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:

	2023
Balance, January 1	\$ 6,949
Settlements	(27,997)
Realized gains recorded in earnings	13,882
Unrealized gains recorded in earnings	11,452
Balance, June 30	\$ 4,286

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, 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:

	2023
Balance, January 1	\$ 92,278
Additions to DPP	68,218
Collections on DPP	(59,311)
Fair value adjustment	108
Foreign exchange and other	468
Balance, June 30	\$ 101,761

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 on the consolidated balance sheets. The table below summarizes the details of the interest rate swaps in place as at June 30, 2023.

	Effective Date	Maturity Date	Notional Amount of US dollar debt	Interest rates	
				Floating	Fixed
2018 IRS ¹	December 7, 2018	N/A ²	\$ 100,000	SOFR	2.6026%
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%

(1) In May 2022, the Company amended the 2018 IRS to convert SOFR floating interest rates into a weighted average fixed interest rate of 2.6026%. Previously it was converting from LIBOR floating interest rate into a fixed interest rate of 2.7205%.

(2) The 2018 IRS matured on April 30, 2023.

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 six months ended June 30, 2023, \$207 and \$825 of the AOCI, respectively, was included in interest expense on the consolidated statements of earnings (2022 - \$626 and \$1,245) associated with the 2018 IRS where the hedging relationship was dedesignated on July 1, 2021.

Contingent acquisition consideration

The inputs to the measurement of the fair value of contingent consideration related to acquisitions are Level 3 inputs. The fair value measurements were made using a discounted cash flow model; significant model inputs were expected future operating cash flows (determined with reference to each specific acquired business) and discount rates (which range from 2.1% to 9.6%, with a weighted average of 5.5%). 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 \$2,300. See note 4 for discussion on contingent acquisition consideration.

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

	2023
Balance, January 1	\$ 91,229
Amounts recognized on acquisitions	1,582
Fair value adjustments (note 7)	2,684
Resolved and settled in cash	(1,082)
Other	1,413
Balance, June 30	\$ 95,826
Less: current portion	\$ 44,455
Non-current portion	\$ 51,371

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, 2023		December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Senior Notes	\$ 514,127	\$ 420,777	\$ 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 June 30, 2023, the Company has funded and sold loans subject to such loss sharing obligations with an aggregate unpaid principal balance of approximately \$4,852,000. As at June 30, 2023, the loss reserve was \$13,731 (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 June 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	Investment Management	Corporate	Consolidated
Three months ended June 30,						
2023						
Leasing	\$ 194,246	\$ 30,333	\$ 32,105	\$ -	\$ -	\$ 256,684
Capital Markets	125,390	23,436	34,090	-	-	182,916
E&D and Project management	165,652	63,406	29,211	-	-	258,269
Property management	78,505	20,954	28,602	-	-	128,061
Valuation and advisory	44,135	34,451	27,106	-	-	105,692
IM - Advisory and other	-	-	-	118,860	-	118,860
IM - Incentive Fees	-	-	-	-	-	-
Other	23,404	1,238	2,801	-	113	27,556
Total Revenue	\$ 631,332	\$ 173,818	\$ 153,915	\$ 118,860	\$ 113	\$ 1,078,038
2022						
Leasing	\$ 214,507	\$ 35,593	\$ 27,296	\$ -	\$ -	\$ 277,396
Capital Markets	224,176	38,189	37,093	-	-	299,458
E&D and Project management	133,492	44,773	15,420	-	-	193,685
Property management	73,013	16,849	35,721	-	-	125,583
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
Six months ended June 30,						
2023						
Leasing	\$ 382,666	\$ 55,969	\$ 56,436	\$ -	\$ -	\$ 495,071
Capital Markets	238,182	41,749	54,825	-	-	334,756
E&D and Project management	306,270	112,986	53,655	-	-	472,911
Property management	157,873	39,720	56,789	-	-	254,382
Valuation and advisory	85,483	63,875	46,556	-	-	195,914
IM - Advisory and other	-	-	-	239,606	-	239,606
IM - Incentive Fees	-	-	-	-	-	-
Other	42,409	2,890	5,747	-	255	51,301
Total Revenue	\$ 1,212,883	\$ 317,189	\$ 274,008	\$ 239,606	\$ 255	\$ 2,043,941
2022						
Leasing	\$ 403,195	\$ 65,910	\$ 45,563	\$ -	\$ -	\$ 514,668
Capital Markets	416,242	79,073	66,861	-	-	562,176
E&D and Project management	252,169	81,338	32,506	-	-	366,013
Property management	143,290	33,837	67,538	-	-	244,665
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

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, 2023, \$11,696 and \$21,489 of Capital Markets revenue (2022 - \$9,738 and \$26,596) and \$10,870 and \$21,729 of Other Revenue (2022 - \$15,424 and \$27,877) respectively, was excluded from the scope of ASC 606. Substantially all of these revenues were included within the Americas segment.

Contract balances

As at June 30, 2023, the Company had contract assets totaling \$100,786 of which \$84,739 was current (\$107,679 as at December 31, 2022 - of which \$91,924 was current). During the six months ended June 30, 2023, approximately 72% of the current contract assets were moved to accounts receivable or sold under the AR Facility (Note 12).

As at June 30, 2023, the Company had contract liabilities (all current) totaling \$45,136 (\$25,616 as at December 31, 2022). \$1,220 and \$18,572 of the contract liability balance at the beginning of the year was recognized to revenue in the three and six months ended June 30, 2023, respectively (2022 - \$5,469 and \$26,555).

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 six month periods ended June 30, 2023, include losses on disposal of the Company's operations of \$1,282. (2022 - \$950 and 27,040, respectively). 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	Investment Mgmt	Corporate	Consolidated
Three months ended June 30						
2023						
Revenues	\$ 631,332	\$ 173,818	\$ 153,915	\$ 118,860	\$ 113	\$ 1,078,038
Depreciation and amortization	21,293	8,269	2,771	17,813	648	50,794
Operating earnings (loss)	46,450	(5,053)	19,554	26,407	(12,096)	75,262
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

	Americas	EMEA	Asia Pacific	Investment Mgmt	Corporate	Consolidated
Six months ended June 30						
2023						
Revenues	\$ 1,212,883	\$ 317,189	\$ 274,008	\$ 239,606	\$ 255	\$ 2,043,941
Depreciation and amortization	39,762	17,776	5,781	35,689	1,278	100,286
Operating earnings (loss)	79,321	(30,087)	24,593	41,211	(17,632)	97,406
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

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	
	2023	2022	2023	2022
United States				
Revenues	\$ 589,427	\$ 657,748	\$ 1,157,642	\$ 1,250,460
Total long-lived assets			2,328,498	1,486,352
Canada				
Revenues	\$ 111,626	\$ 127,010	\$ 207,542	\$ 246,269
Total long-lived assets			78,730	79,933
Euro currency countries				
Revenues	\$ 98,033	\$ 105,192	\$ 184,428	\$ 187,962
Total long-lived assets			370,821	360,912
Australia				
Revenues	\$ 75,062	\$ 67,741	\$ 127,662	\$ 115,472
Total long-lived assets			114,890	65,913
United Kingdom				
Revenues	\$ 61,821	\$ 48,231	\$ 116,332	\$ 85,210
Total long-lived assets			527,512	515,257
China				
Revenues	\$ 18,867	\$ 24,126	\$ 39,107	\$ 45,540
Total long-lived assets			9,113	7,782
Other				
Revenues	\$ 123,202	\$ 97,798	\$ 211,228	\$ 197,845
Total long-lived assets			285,641	143,495
Consolidated				
Revenues	\$ 1,078,038	\$ 1,127,846	\$ 2,043,941	\$ 2,128,758
Total long-lived assets			3,715,205	2,659,644

22. Subsequent events

Normal Course Issuer Bid

On July 17, 2023, the Company announced the approval by the Toronto Stock Exchange of its notice to implement a normal course issuer bid (the "2023/2024 NCIB"). The 2023/2024 NCIB allows the Company to purchase for cancellation, up to 4,000,000 Subordinate Voting Shares. The 2023/2024 NCIB period commenced on July 20, 2023 and is set to expire on July 19, 2024.