



COLLIERS INTERNATIONAL GROUP INC.

# Interim Consolidated Financial Statements

(unaudited)

**First Quarter** | March 31, 2023

**Colliers International Group Inc.**  
**Consolidated Statements of Earnings (Loss)**  
(Unaudited)

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

	<b>Three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Revenues (note 20)	\$ 965,903	\$ 1,000,912
Cost of revenues (exclusive of depreciation and amortization shown below)	586,260	631,553
Selling, general and administrative expenses	281,539	250,712
Depreciation	12,649	12,049
Amortization of intangible assets	36,843	24,591
Acquisition-related items (note 7)	26,468	15,083
Loss on disposal of operations (note 5)	-	26,090
Operating earnings	22,144	40,834
Interest expense, net	22,832	6,318
Earnings from equity accounted investments	(3,154)	(3,160)
Other (income) expense	(166)	32
Earnings before income tax	2,632	37,644
Income tax expense (note 17)	3,539	16,327
Net earnings (loss)	(907)	21,317
Non-controlling interest share of earnings	10,941	8,516
Non-controlling interest redemption increment (note 14)	8,304	31,441
Net loss attributable to Company	\$ (20,152)	\$ (18,640)
<b>Net loss per common share (note 15)</b>		
Basic	\$ (0.47)	\$ (0.42)
Diluted	\$ (0.47)	\$ (0.42)

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)*

	<b>Three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Net earnings (loss)	\$ (907)	\$ 21,317
Other non-comprehensive earnings (loss), net of tax:		
Change in foreign currency translation	(3)	(3,854)
Reclassification of accumulated foreign currency translation on disposal of operations (note 5)	-	18,236
Unrealized gain (loss) on interest rate swaps, net of tax	(3,884)	312
Pension liability adjustments, net of tax	(257)	9
Total other non-comprehensive earnings (loss), net	(4,144)	14,703
Comprehensive earnings (loss)	(5,051)	36,020
Less: Comprehensive earnings attributable to non-controlling interests	17,544	39,957
Comprehensive loss attributable to Company	\$ (22,595)	\$ (3,937)

**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)*

	March 31, 2023	December 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 178,659	\$ 173,661
Restricted cash	43,994	25,381
Accounts receivable, net of allowance of \$26,017 (December 31, 2022 - \$25,332)	596,627	577,879
Contract assets (note 20)	85,911	91,924
Warehouse receivables (note 18)	120,300	29,623
Income tax recoverable	21,654	21,970
Prepaid expenses and other current assets	239,025	247,635
Real estate held for sale (note 6)	37,996	45,353
	<b>1,324,166</b>	<b>1,213,426</b>
Other receivables	12,100	12,461
Contract assets (note 20)	17,640	15,755
Other assets	145,401	138,510
Fixed assets	171,107	164,493
Operating lease right-of-use assets	351,600	341,623
Deferred tax assets, net	67,369	63,460
Intangible assets (note 8)	1,124,959	1,159,910
Goodwill	1,994,367	1,988,539
	<b>3,884,543</b>	<b>3,884,751</b>
	<b>\$ 5,208,709</b>	<b>\$ 5,098,177</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 518,352	\$ 503,189
Accrued compensation	444,112	625,565
Income tax payable	20,801	32,282
Contract liabilities (note 20)	40,787	25,616
Long-term debt - current (note 9)	4,382	1,360
Contingent acquisition consideration - current (note 18)	44,267	42,942
Warehouse credit facilities (note 11)	112,331	24,286
Operating lease liabilities	85,638	84,989
Liabilities related to real estate held for sale (note 6)	-	1,353
	<b>1,270,670</b>	<b>1,341,582</b>
Long-term debt (note 9)	1,613,792	1,437,739
Contingent acquisition consideration (note 18)	49,616	48,287
Operating lease liabilities	331,228	322,496
Other liabilities	100,206	91,105
Deferred tax liabilities, net	49,416	57,754
Convertible notes (note 10)	226,875	226,534
	<b>2,371,133</b>	<b>2,183,915</b>
Redeemable non-controlling interests (note 14)	1,073,635	1,079,306
<b>Shareholders' equity</b>		
Common shares	865,742	845,680
Contributed surplus	106,008	104,504
Deficit	(404,351)	(384,199)
Accumulated other comprehensive loss	(78,731)	(76,288)
Total Company shareholders' equity	488,668	489,697
Non-controlling interests	4,603	3,677
Total shareholders' equity	493,271	493,374
	<b>\$ 5,208,709</b>	<b>\$ 5,098,177</b>

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)*

	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 loss	-	-	-	(907)	-	-	(907)
Pension liability adjustment, net of tax	-	-	-	-	(257)	-	(257)
Foreign currency translation loss	-	-	-	-	(3)	-	(3)
Unrealized loss on interest rate swaps, net of tax	-	-	-	-	(3,884)	-	(3,884)
Other comprehensive earnings attributable to NCI	-	-	-	-	1,701	177	1,878
NCI share of earnings	-	-	-	(10,941)	-	927	(10,014)
NCI redemption increment	-	-	-	(8,304)	-	-	(8,304)
Distributions to NCI	-	-	-	-	-	(146)	(146)
Acquisition of businesses, net	-	-	-	-	-	(32)	(32)
Subsidiaries' equity transactions	-	-	338	-	-	-	338
Subordinate Voting Shares:							
Stock option expense	-	-	5,657	-	-	-	5,657
Stock options exercised	230,500	20,062	(4,491)	-	-	-	15,571
<b>Balance, March 31, 2023</b>	<b>43,163,656</b>	<b>\$ 865,742</b>	<b>\$ 106,008</b>	<b>\$ (404,351)</b>	<b>\$ (78,731)</b>	<b>\$ 4,603</b>	<b>\$ 493,271</b>

	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	-	-	-	21,317	-	-	21,317
Pension liability adjustment, net of tax	-	-	-	-	9	-	9
Foreign currency translation loss	-	-	-	-	(3,854)	-	(3,854)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	464	-	464
Other comprehensive earnings attributable to NCI	-	-	-	-	-	162	162
NCI share of earnings	-	-	-	(8,516)	-	679	(7,837)
NCI redemption increment	-	-	-	(31,441)	-	-	(31,441)
Distributions to NCI	-	-	-	-	-	(180)	(180)
Reclass to net earnings on disposal of operations (note 5)	-	-	(93)	-	18,236	-	18,143
Subsidiaries' equity transactions	-	-	8,417	-	-	-	8,417
Subordinate Voting Shares:							
Stock option expense	-	-	4,861	-	-	-	4,861
Stock options exercised	221,625	14,341	(3,085)	-	-	-	11,256
Purchased for cancellation (note 15)	(600,539)	(11,748)	-	(64,932)	-	-	(76,680)
<b>Balance, March 31, 2022</b>	<b>43,675,830</b>	<b>\$ 854,760</b>	<b>\$ 89,507</b>	<b>\$ (363,296)</b>	<b>\$ (55,396)</b>	<b>\$ 4,331</b>	<b>\$ 529,906</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)*

	<b>Three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net earnings (loss)	\$ (907)	\$ 21,317
Items not affecting cash:		
Depreciation and amortization	49,492	36,640
Loss on disposal of operations (note 5)	-	26,090
Gains attributable to mortgage servicing rights	(3,035)	(5,297)
Gains attributable to the fair value of mortgage premiums and origination fees	(4,017)	(7,282)
Deferred tax	(10,989)	(11,177)
Earnings from equity accounted investments	(3,154)	(3,160)
Stock option expense (note 16)	5,657	4,861
Amortization of advisor loans	7,610	6,233
Contingent consideration (note 7)	24,212	6,490
Other	984	3,363
Increase in accounts receivable, prepaid expenses and other assets	(29,755)	(172,005)
Increase in accounts payable, accrued expenses and other liabilities	3,111	9,860
Decrease in accrued compensation	(180,308)	(268,770)
Contingent acquisition consideration paid	(272)	(59,553)
Proceeds received on sale of mortgage loans	99,248	369,911
Principal funded on originated mortgage loans	(184,508)	(314,073)
Increase (decrease) in warehouse credit facilities	88,045	(47,094)
Sales to AR Facility, net (note 12)	6,018	122,937
Net cash used in operating activities	<b>(132,568)</b>	<b>(280,709)</b>
<b>Investing activities</b>		
Acquisitions of businesses, net of cash acquired (note 4)	-	(52,478)
Purchases of fixed assets	(18,883)	(9,835)
Advisor loans issued	(20,771)	(13,439)
Purchase of held for sale real estate assets	(37,996)	-
Proceeds from sale of held for sale real estate assets	44,000	-
Collections of AR facility deferred purchase price (note 12)	30,772	166,328
Other investing activities	(296)	(7,526)
Net cash provided by (used in) investing activities	<b>(3,174)</b>	<b>83,050</b>
<b>Financing activities</b>		
Increase in long-term debt	357,084	194,935
Repayment of long-term debt	(184,664)	(3,205)
Purchases of non-controlling interests' subsidiary shares, net	(12,544)	(25,962)
Contingent acquisition consideration paid	(535)	(40,889)
Proceeds received on exercise of stock options	15,571	11,214
Dividends paid to common shareholders	(6,440)	(6,608)
Distributions paid to non-controlling interests	(11,061)	(14,926)
Repurchases of Subordinate Voting Shares	-	(72,685)
Other financing activities	(49)	(49)
Net cash provided by financing activities	<b>157,362</b>	<b>41,825</b>
Effect of exchange rate changes on cash	1,991	(3,839)

**Colliers International Group Inc.**  
**Consolidated Statements of Cash Flows**  
(Unaudited)  
*(in thousands of US dollars)*

	<b>Three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Net change in cash, cash equivalents and restricted cash	<b>23,611</b>	(159,673)
Cash, cash equivalents and restricted cash, beginning of period	<b>199,042</b>	425,271
Cash, cash equivalents and restricted cash, end of period	<b>\$ 222,653</b>	\$ 265,598

**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 March 31, 2023 and the results of operations and its cash flows for the three months ended March 31, 2023 and 2022. All such adjustments are of a normal recurring nature. The results of operations for the three-month period ended March 31, 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**

##### *2022 acquisitions*

During the three months ended March 31, 2022, the Company acquired controlling interests in two businesses operating in the Americas. The acquisition date fair value of consideration transferred consisted of \$52,478 in cash (net of cash acquired of \$6,744).

During the three months ended March 31, 2023, the Company did not make any significant adjustments to its allocation of the purchase consideration for acquisitions completed in 2022.

##### *Contingent purchase 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 March 31, 2023, was \$93,883 (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 March 31, 2023, was \$83,605 (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 \$365,851 to a maximum of \$422,260. These contingencies will expire during the period extending to April 2028.

#### **5. Business disposals**

In 2022, the Company discontinued its businesses in Russia, by way of a sale of its controlling interests to local management. The proceeds received from the disposals were de minimus and in the three months ended March 31, 2022 the Company recognized a loss on disposal in the amount of \$26,090.

#### **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.

During the three months ended March 31, 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 months ended March 31, 2023, or 2022.

The following table summarizes the real estate held for sale.

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>Real estate held for sale</b>		
Real estate held for sale - current	\$ 37,996	\$ 45,353
Liabilities related to real estate held for sale - current	\$ -	\$ 1,353
<b>Net real estate held for sale</b>	<b>\$ 37,996</b>	<b>\$ 44,000</b>

## 7. Acquisition-related items

	<b>Three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Transaction costs	\$ 2,256	\$ 8,593
Contingent consideration fair value adjustments (note 18)	2,211	5,367
Contingent consideration compensation expense (note 4)	22,001	1,123
	<b>\$ 26,468</b>	<b>\$ 15,083</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:

<b>March 31, 2023</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	23,340	-	23,340
	\$ 52,540	\$ -	\$ 52,540
Finite life intangible assets:			
Customer lists and relationships	\$ 696,441	\$ 204,067	\$ 492,374
Investment management contracts	590,832	140,599	450,233
Mortgage servicing rights ("MSRs")	171,469	69,880	101,589
Trademarks and trade names	27,716	5,311	22,405
Management contracts and other	15,422	11,166	4,256
Backlog	8,058	6,496	1,562
	\$ 1,509,938	\$ 437,519	\$ 1,072,419
	\$ 1,562,478	\$ 437,519	\$ 1,124,959

<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 three-month period ended March 31, 2023, or 2022.

The following table summarizes activity related to the Company's mortgage servicing rights for the year ended March 31, 2023.

	<b>2023</b>
Balance, January 1	\$ 104,442
Additions, following the sale of loan	1,256
Amortization	(3,607)
Prepayments and write-offs	(502)
Balance, March 31	\$ 101,589

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 nine months)	\$ 9,021	\$ 88,579	\$ 97,600
2024	10,746	108,266	119,012
2025	9,976	99,171	109,147
2026	9,386	95,414	104,800
2027	8,791	89,597	98,388
Thereafter	53,669	489,803	543,472
	\$ 101,589	\$ 970,830	\$ 1,072,419

## 9. Long-term debt

On May 27, 2022, the Company amended and extended the multi-currency, sustainability-linked senior unsecured revolving credit facility (the "Revolving Credit Facility") of \$1,500,000. The Revolving Credit Facility has a 5-year term ending May 27, 2027, and bears interest at an applicable margin of 1.125% to 2.5% over floating reference rates, depending on financial leverage ratios. The applicable margin may be adjusted, annually, plus or minus 0.05% subject to achieving certain sustainability metrics. The weighted average interest rate on borrowings under the Revolving Credit Facility for the

three months ended March 31, 2023 was 5.8% (2022 – 4.1%). The Revolving Credit Facility had \$387,916 of available undrawn credit as at March 31, 2023 (\$557,594 as at December 31, 2022). As at March 31, 2023, letters of credit in the amount of \$12,124 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. At any time during the term, the Company has the right to increase the Revolving Credit Facility by up to \$250,000 on the same terms and conditions. See note 22.

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 March 31, 2023. The Company is limited from undertaking certain mergers, acquisitions and dispositions without prior approval.

## **10. Convertible notes**

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

The Convertible Notes may be converted at the holder's option at any time prior to maturity into Subordinate Voting Shares based on an initial conversion rate of approximately 17.2507 Subordinate Voting Shares per \$1,000 principal amount of Convertible Notes, which represents an initial conversion price of \$57.97 per Subordinate Voting Share. On December 7, 2021, the Company increased its semi-annual dividend on the outstanding Subordinate Voting Shares and Multiple Voting Shares from \$0.05 to \$0.15 per share. On December 6, 2022, the Company declared its semi-annual dividend of \$0.15 per share. This modified the conversion rate to 17.2979 Subordinate Voting Shares per \$1,000 principal amount of Convertible Notes, which represents a conversion price of \$57.81 per Subordinate Voting Share.

The Company, at its option, may also redeem the Convertible Notes, in whole or in part, on or after June 1, 2023, at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest, provided that the last reported trading price of the Subordinate Voting Shares for any 20 trading days in a consecutive 30 trading day period preceding the date of the notice of redemption is not less than 130% of the conversion price. See note 22.

Subject to specified conditions, the Company may elect to repay some or all of the outstanding principal amount of the Convertible Notes, on maturity or redemption, through the issuance of Subordinate Voting Shares.

In connection with the issuance of the Convertible Notes, at the time, the Company incurred financing costs of \$6,795 which are being amortized over five years using the effective interest rate method. For the quarter ended March 31, 2023, there was \$341 of financing fee amortization included in interest expense within the accompanying Consolidated Statements of Earnings. The effective interest rate on the Convertible Notes is approximately 4.7%.

**11. Warehouse credit facilities**

The following table summarizes the Company's mortgage warehouse credit facilities as at March 31, 2023:

	Current Maturity	March 31, 2023		December 31, 2022	
		Maximum Capacity	Carrying Value	Maximum Capacity	Carrying Value
Facility A - SOFR plus 1.70%	October 19, 2023	\$ 125,000	\$ 69,581	\$ 125,000	\$ 1,924
Facility B - SOFR plus 1.70%	On demand	125,000	40,965	125,000	7,619
Facility C - SOFR plus 1.60%	April 27, 2023	150,000	1,785	150,000	14,743
		<b>\$ 400,000</b>	<b>\$ 112,331</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. See note 22.

**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 March 31, 2023, the Company's draw under the AR Facility was \$174,903.

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 March 31, 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. For the three months ending March 31, 2023, Receivables sold under the AR Facility were \$416,230 and cash collections from customers on Receivables sold were \$414,441, 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 March 31, 2023, the outstanding principal on trade accounts receivable, net of Allowance for Doubtful Accounts, sold under the AR Facility was \$178,015; and the outstanding principal on contract assets, current and non-current, sold under the AR Facility was \$108,540. See note 18 for fair value information on the DPP.

For the three months ended March 31, 2023, the Company recognized a gain related to Receivables sold of \$123 (2022 - \$7 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 three months ended March 31, 2023, were \$23,866.

**13. Variable interest entities**

The Company holds variable interests in certain Variable Interest Entities (“VIE”) in its Investment Management segment which are not consolidated as it was determined that the Company is not the primary beneficiary. The Company’s involvement with these entities is in the form of advisory fee arrangements and equity co-investments (typically 1%-2%).

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

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Equity accounted investments	\$ 26,227	\$ 22,361
Co-investment commitments	55,517	18,588
Maximum exposure to loss	\$ 81,744	\$ 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	\$ 1,079,306
RNCI share of earnings	10,014
RNCI redemption increment	8,304
Distributions paid to RNCI	(11,134)
Purchase of interests from RNCI	(12,864)
Other	9
Balance, March 31	\$ 1,073,635

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 March 31, 2023, was \$1,012,823 (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 March 31, 2023, approximately 9,330,000 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**

For the three months ended March 31, 2023 and March 31, 2022, the diluted shares related to the exercise of stock options are not used in the denominator because the numerator is in a loss position and the result would be antidilutive.

Diluted EPS is calculated using the “if-converted” method of calculating earnings per share in relation to the Convertible Notes, which were issued on May 19, 2020. As such, the interest (net of income tax) on the Convertible Notes is added to the numerator and the additional shares issuable on conversion of the Convertible Notes are added to the denominator of the earnings per share calculation to determine if an assumed conversion is more dilutive than no assumption of conversion. The “if-converted” method is used if the impact of the assumed conversion is dilutive. The “if-converted” method is anti-dilutive for the three-month periods ended March 31, 2023 and March 31, 2022.

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

<b>(in thousands)</b>	<b>Three months ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Net loss attributable to Company	\$ (20,152)	\$ (18,640)
After-tax interest on Convertible Notes	-	-
Adjusted numerator considering the If-Converted Method	\$ (20,152)	\$ (18,640)
Weighted average common shares - Basic	<b>43,047</b>	44,064
Exercise of stock options	-	-
Conversion of Convertible Notes	-	-
Weighted average common shares - Diluted	<b>43,047</b>	44,064

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

During the three months ended March 31, 2022, the Company repurchased 600,539 Subordinate Voting Shares for total consideration of \$76,680 under a normal course issuer bid that expired on July 19, 2022.

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

**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 March 31, 2023, there were 894,800 options available for future grants.

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

There were 7,500 stock options granted during the three months ended March 31, 2023 (2022 - 16,250). Stock option activity for the three months ended March 31, 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	7,500	115.08		
Exercised	(230,500)	67.55		
Forfeited	(10,250)	128.94		
Shares issuable under options -				
March 31, 2023	2,819,750	\$ 96.42	3.1	\$ 47,276
Options exercisable - March 31, 2023	1,160,533	\$ 85.11	2.1	\$ 29,028

The amount of compensation expense recorded in the statement of earnings for the three months ended March 31, 2023 was \$5,657 (2022 - \$4,861). As of March 31, 2023, there was \$36,364 of unrecognized compensation cost related to non-vested awards which is expected to be recognized over the next 4 years. During the three-month period ended March 31, 2023, the fair value of options vested was \$2,555 (2022 - \$4,100).

## 17. Income tax

The provision for income tax for the three months ended March 31, 2023, reflected an effective tax rate of 134.5% (2022 - 43.4%) 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 March 31, 2023:

	Level 1	Level 2	Level 3
<b>Assets</b>			
Cash equivalents	\$ 4,081	\$ -	\$ -
Equity securities	11,461	6	-
Debt securities	-	18,556	-
Mortgage derivative assets	-	-	22,320
Warehouse receivables	-	120,300	-
Interest rate swap assets	-	3,898	-
Deferred Purchase Price on AR Facility	-	-	85,463
Total assets	\$ 15,542	\$ 142,760	\$ 107,783
<b>Liabilities</b>			
Mortgage derivative liabilities	\$ -	\$ -	\$ 15,155
Interest rate swap liabilities	-	2,689	-
Contingent consideration liabilities	-	-	93,883
Total liabilities	\$ -	\$ 2,689	\$ 109,038

There were no significant non-recurring fair value measurements recorded during the three months ended March 31, 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:

	<b>2023</b>
Balance, January 1	\$ 6,949
Settlements	(9,428)
Realized gains recorded in earnings	2,479
Unrealized gains recorded in earnings	7,165
Balance, March 31	\$ 7,165

**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 March 31, 2023, all of the Company's mortgage warehouse receivables were 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	23,866
Collections on DPP	(30,772)
Fair value adjustment	123
Foreign exchange and other	(32)
Balance, March 31	\$ 85,463

### 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 March 31, 2023.

	Effective Date	Maturity Date	Notional Amount of US dollar debt	Interest rates	
				Floating	Fixed
2018 IRS <sup>1</sup>	December 7, 2018	April 30, 2023	\$ 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%.*

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

On July 1, 2021, the Company dedesignated the hedging relationships. Gains or losses related to changes in the fair value of the 2018 IRS after July 1, 2021, are reported in interest expense on the consolidated statements of earnings. As at June 30, 2021, \$5,595 of cumulative losses were reported in accumulated other comprehensive earnings (loss). This accumulated other comprehensive loss will be recognized to interest expense commensurate with when the forecasted cash flows originally designated as a hedge affect earnings, or earlier if it is probable these forecasted cash flows will not occur. In the three months ended March 31, 2023, \$618 of the accumulated other comprehensive loss was included in interest expense on the consolidated statements of earnings (2022 - \$631).

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 AOCI.

### Contingent acquisition consideration

The inputs to the measurement of the fair value of contingent consideration related to acquisitions are Level 3 inputs. The fair value measurements were made using a discounted cash flow model; significant model inputs were expected future operating cash flows (determined with reference to each specific acquired business) and discount rates (which range from 2.1% to 9.5%, with a weighted average of 4.8%). The wide range of discount rates is attributable to the level of risk related to economic growth factors combined with the length of the contingent payment periods; and the dispersion was driven by unique characteristics of the businesses acquired and the respective terms for these contingent payments. A 2% increase in the weighted average discount rate would reduce the fair value of contingent consideration by \$2,600. 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
Fair value adjustments (note 7)	2,211
Resolved and settled in cash	(535)
Other	978
Balance, March 31	\$ 93,883
Less: current portion	\$ 44,267
Non-current portion	\$ 49,616

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>March 31, 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	\$ 512,548	\$ 425,399	\$ 506,533	\$ 414,195
Convertible Notes	226,875	419,932	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 March 31, 2023, the Company has funded and sold loans subject to such loss sharing obligations with an aggregate unpaid principal balance of approximately \$4,518,000. As at March 31, 2023, the loss reserve was \$13,321 (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 March 31, 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.

	Americas	EMEA	Asia Pacific	Investment Management	Corporate	Consolidated
<b>Three months ended March 31,</b>						
<b>2023</b>						
Leasing	\$ 188,420	\$ 25,636	\$ 24,331	\$ -	\$ -	\$ 238,387
Capital Markets	112,792	18,313	20,735	-	-	151,840
E&D and Project management	140,618	49,580	24,444	-	-	214,642
Property management	79,368	18,766	28,187	-	-	126,321
Valuation and advisory	41,348	29,424	19,450	-	-	90,222
IM - Advisory and other	-	-	-	120,746	-	120,746
IM - Incentive Fees	-	-	-	-	-	-
Other	19,005	1,652	2,946	-	142	23,745
<b>Total Revenue</b>	<b>\$ 581,551</b>	<b>\$ 143,371</b>	<b>\$ 120,093</b>	<b>\$ 120,746</b>	<b>\$ 142</b>	<b>\$ 965,903</b>
<b>2022</b>						
Leasing	\$ 188,688	\$ 30,317	\$ 18,267	\$ -	\$ -	\$ 237,272
Capital Markets	192,066	40,884	29,768	-	-	262,718
E&D and Project management	118,676	36,565	17,086	-	-	172,327
Property management	70,278	16,988	31,817	-	-	119,083
Valuation and advisory	52,493	27,471	20,039	-	-	100,003
IM - Advisory and other	-	-	-	61,647	-	61,647
IM - Incentive Fees	-	-	-	24,730	-	24,730
Other	19,497	1,100	2,403	-	132	23,132
<b>Total Revenue</b>	<b>\$ 641,698</b>	<b>\$ 153,325</b>	<b>\$ 119,380</b>	<b>\$ 86,377</b>	<b>\$ 132</b>	<b>\$ 1,000,912</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 ended March 31, 2023, \$9,793 of Capital Markets revenue (2022 - \$16,858) and \$10,860 of Other Revenue (2022 - \$12,453) was excluded from the scope of ASC 606. These revenues were included entirely within the Americas segment.

**Contract balances**

As at March 31, 2023, the Company had contract assets totaling \$103,551 of which \$85,911 was current (\$107,679 as at December 31, 2022 - of which \$91,924 was current). During the three months ended March 31, 2023, approximately 55% of the current contract assets were moved to accounts receivable or sold under the AR Facility (Note 12).

As at March 31, 2023, the Company had contract liabilities (all current) totaling \$40,787 (\$25,616 as at December 31, 2022). Revenue recognized for the three months ended March 31, 2023, totaled \$17,352 (2022 - \$21,095) that was included in the contract liability balance at the beginning of the year.

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 SEGMENTS**

	Americas	EMEA	Asia Pacific	Investment Mgmt	Corporate	Consolidated
<b>Three months ended March 31</b>						
<b>2023</b>						
Revenues	\$ 581,551	\$ 143,371	\$ 120,093	\$ 120,746	\$ 142	\$ 965,903
Depreciation and amortization	18,470	9,507	3,010	17,876	629	49,492
Operating earnings (loss)	32,870	(25,034)	5,040	14,804	(5,536)	22,144
<b>2022</b>						
Revenues	\$ 641,698	\$ 153,325	\$ 119,380	\$ 86,377	\$ 132	\$ 1,000,912
Depreciation and amortization	21,816	5,364	1,848	6,808	804	36,640
Operating earnings (loss)	61,307	(30,781)	8,225	17,221	(15,138)	40,834

*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**

	<b>Three months ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
<b>United States</b>		
Revenues	\$ 568,215	\$ 592,712
Total long-lived assets	2,270,291	1,504,135
<b>Canada</b>		
Revenues	\$ 95,916	\$ 119,259
Total long-lived assets	75,650	81,077
<b>Euro currency countries</b>		
Revenues	\$ 86,395	\$ 82,770
Total long-lived assets	369,194	258,872
<b>Australia</b>		
Revenues	\$ 52,600	\$ 47,731
Total long-lived assets	106,550	72,891
<b>United Kingdom</b>		
Revenues	\$ 54,511	\$ 36,979
Total long-lived assets	526,082	67,135
<b>China</b>		
Revenues	\$ 20,240	\$ 21,414
Total long-lived assets	6,720	8,917
<b>Other</b>		
Revenues	\$ 88,026	\$ 100,047
Total long-lived assets	287,546	151,256
<b>Consolidated</b>		
Revenues	\$ 965,903	\$ 1,000,912
Total long-lived assets	3,642,033	2,144,283

**22. Subsequent events***Acquisitions*

On April 12, 2023, and May 2, 2023, the Company completed the acquisitions for controlling interests in Greenstone Group Limited and Craig & Rhodes Pty Limited, respectively, for a combined initial cash purchase price of \$10,797. Each acquisition is expected to be accounted for using the acquisition method of accounting for business combinations.

*Convertible Notes redemption*

On April 4, 2023, the Company issued a notice of redemption to all holders of the Convertible Notes. The applicable redemption date is June 1, 2023 (the "Redemption Date"), and the Company will, in accordance with the terms and conditions of the indenture governing the Convertible Notes, satisfy its obligations in connection with any redeemed Convertible Notes by issuing an amount of Subordinate Voting Shares ("Shares") per US\$1,000 of redeemed principal amount that is calculated based on the average of daily volume-weighted average trading prices of the Shares for the thirty trading day period ending on May 24, 2023. All accrued but unpaid interest on any redeemed amounts for the period up to but excluding the Redemption Date will be paid in cash.

Prior to June 1, 2023, holders of the Convertible Notes have the right to convert into shares at a conversion rate of 17.7607 Shares per US\$1,000 of principal amount, which is equivalent to a conversion price of approximately US\$56.30 per Share.

*Revolving Credit Facility increase*

On April 28, 2023, the Company increased the borrowing capacity under its Revolving Credit Facility by \$250,000 to \$1,750,000 on the same terms and conditions. See note 9.

*Warehouse facility extension*

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. See note 11.