



COLLIERS INTERNATIONAL GROUP INC.

# Interim Consolidated Financial Statements (unaudited)

First Quarter | March 31, 2024

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

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

	Three months ended March 31	
	2024	2023
Revenues (note 18)	\$ 1,001,980	\$ 965,903
Cost of revenues (exclusive of depreciation and amortization shown below)	606,245	586,260
Selling, general and administrative expenses	299,960	281,539
Depreciation	15,422	12,649
Amortization of intangible assets	35,086	36,843
Acquisition-related items (note 6)	1,940	26,468
Operating earnings	43,327	22,144
Interest expense, net	19,872	22,832
Equity earnings from non-consolidated investments	(436)	(3,154)
Other income	(215)	(166)
Earnings before income tax	24,106	2,632
Income tax expense (note 15)	9,970	3,539
Net earnings (loss)	14,136	(907)
Non-controlling interest share of earnings	8,921	10,941
Non-controlling interest redemption increment (note 12)	(7,442)	8,304
Net earnings (loss) attributable to Company	\$ 12,657	\$ (20,152)
<b>Net earnings (loss) per common share (note 13)</b>		
Basic	\$ 0.26	\$ (0.47)
Diluted	\$ 0.26	\$ (0.47)

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>2024</b>	<b>2023</b>
Net earnings (loss)	\$ 14,136	\$ (907)
Other comprehensive earnings (loss):		
Change in foreign currency translation	(7,429)	(3)
Unrealized gain (loss) on interest rate swaps, net of tax	7,070	(3,884)
Pension liability adjustments, net of tax	-	(257)
Total other comprehensive loss, net	(359)	(4,144)
Comprehensive earnings (loss)	13,777	(5,051)
Less: Comprehensive earnings attributable to non-controlling interests	8,264	17,544
Comprehensive earnings (loss) attributable to Company	\$ 5,513	\$ (22,595)

**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, 2024	December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 165,321	\$ 181,134
Restricted cash	40,136	37,941
Accounts receivable, net of allowance of \$28,357 (December 31, 2023 - \$36,382)	594,451	643,375
Contract assets (note 18)	109,633	83,389
Warehouse receivables (note 16)	27,499	177,104
Income tax recoverable	41,701	48,104
Prepaid expenses and other current assets (note 16)	275,786	258,725
Warehouse fund assets (note 5)	42,982	44,492
	<b>1,297,509</b>	<b>1,474,264</b>
Other receivables	12,304	11,857
Contract assets (note 18)	17,903	19,691
Other assets	164,875	157,197
Warehouse fund assets (note 5)	80,382	47,536
Fixed assets	203,554	202,837
Operating lease right-of-use assets	372,788	390,565
Deferred tax assets, net	57,313	59,468
Intangible assets (note 7)	1,044,360	1,080,471
Goodwill	2,021,326	2,038,240
	<b>3,974,805</b>	<b>4,007,862</b>
	<b>\$ 5,272,314</b>	<b>\$ 5,482,126</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 468,065	\$ 535,769
Accrued compensation	416,569	569,166
Income tax payable	11,158	16,527
Contract liabilities (note 18)	46,458	45,293
Long-term debt - current (note 8)	12,905	1,796
Contingent acquisition consideration - current (note 16)	36,211	13,944
Warehouse credit facilities (note 9)	21,403	168,780
Operating lease liabilities	88,006	89,938
	<b>1,100,775</b>	<b>1,441,213</b>
Long-term debt (note 8)	1,337,471	1,500,843
Contingent acquisition consideration (note 16)	4,632	30,768
Operating lease liabilities	359,857	375,454
Other liabilities	121,825	120,565
Deferred tax liabilities, net	38,900	43,191
Liabilities related to warehouse fund assets (note 5)	84,545	47,536
	<b>1,947,230</b>	<b>2,118,357</b>
Redeemable non-controlling interests (note 12)	1,060,207	1,072,066
<b>Shareholders' equity</b>		
Common shares	1,432,085	1,127,034
Contributed surplus	126,084	123,394
Deficit	(320,209)	(332,866)
Accumulated other comprehensive loss	(76,715)	(69,571)
Total Company shareholders' equity	1,161,245	847,991
Non-controlling interests	2,857	2,499
Total shareholders' equity	1,164,102	850,490
	<b>\$ 5,272,314</b>	<b>\$ 5,482,126</b>

Commitments and contingencies (note 17)

**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, 2023</b>	<b>47,549,376</b>	<b>\$ 1,127,034</b>	<b>\$ 123,394</b>	<b>\$ (332,866)</b>	<b>\$ (69,571)</b>	<b>\$ 2,499</b>	<b>\$ 850,490</b>
Net earnings	-	-	-	14,136	-	-	14,136
Foreign currency translation loss	-	-	-	-	(7,429)	-	(7,429)
Unrealized gain on interest rate swaps, net of tax	-	-	-	-	7,070	-	7,070
Other comprehensive earnings attributable to NCI	-	-	-	-	(6,785)	50	(6,735)
NCI share of earnings	-	-	-	(8,921)	-	308	(8,613)
NCI redemption increment	-	-	-	7,442	-	-	7,442
Subordinate Voting Shares:							
Stock option expense	-	-	6,688	-	-	-	6,688
Stock options exercised	202,500	18,127	(3,998)	-	-	-	14,129
Issuance of Subordinate Voting Shares (note 13)	2,479,500	286,924	-	-	-	-	286,924
<b>Balance, March 31, 2024</b>	<b>50,231,376</b>	<b>\$ 1,432,085</b>	<b>\$ 126,084</b>	<b>\$ (320,209)</b>	<b>\$ (76,715)</b>	<b>\$ 2,857</b>	<b>\$ 1,164,102</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, 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>

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>2024</b>	<b>2023</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net earnings (loss)	\$ 14,136	\$ (907)
Items not affecting cash:		
Depreciation and amortization	50,508	49,492
Gains attributable to mortgage servicing rights	(1,315)	(3,035)
Gains attributable to the fair value of mortgage premiums and origination fees	(2,199)	(4,017)
Deferred tax	(3,989)	(10,989)
Equity earnings from non-consolidated investments	(436)	(3,154)
Stock option expense (note 14)	6,688	5,657
Amortization of advisor loans	10,898	7,610
Contingent consideration (note 6)	(3,668)	24,212
Other	(20)	984
Decrease (increase) in accounts receivable, prepaid expenses and other assets	4,641	(29,755)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(46,642)	3,111
Decrease in accrued compensation	(146,932)	(180,308)
Contingent acquisition consideration paid	(2,738)	(272)
Proceeds received on sale of mortgage loans	299,401	99,248
Principal funded on originated mortgage loans	(148,526)	(184,508)
Increase (decrease) in warehouse credit facilities	(147,377)	88,045
Sales to AR Facility, net (note 10)	(20,045)	6,018
Net cash used in operating activities	(137,615)	(132,568)
<b>Investing activities</b>		
Purchases of fixed assets	(16,873)	(18,883)
Advisor loans issued	(16,388)	(20,771)
Purchases of warehouse fund assets	(36,426)	(37,996)
Proceeds from disposal of warehouse fund assets	4,944	44,000
Collections of AR facility deferred purchase price (note 10)	33,918	30,772
Other investing activities	(19,027)	(296)
Net cash used in investing activities	(49,852)	(3,174)
<b>Financing activities</b>		
Increase in long-term debt	326,675	357,084
Repayment of long-term debt	(431,727)	(184,664)
Issuance of subordinate voting shares (note 13)	286,924	-
Purchases of non-controlling interests' subsidiary shares, net	(2,654)	(12,544)
Contingent acquisition consideration paid	-	(535)
Proceeds received on exercise of stock options	14,129	15,571
Dividends paid to common shareholders	(7,132)	(6,440)
Distributions paid to non-controlling interests	(10,306)	(11,061)
Other financing activities	-	(49)
Net cash provided by financing activities	175,909	157,362
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2,060)	1,991
Net change in cash, cash equivalents and restricted cash	(13,618)	23,611
Cash, cash equivalents and restricted cash, beginning of period	219,075	199,042
Cash, cash equivalents and restricted cash, end of period	\$ 205,457	\$ 222,653

**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 (68 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 Company’s audited consolidated financial statements for the year ended December 31, 2023.

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, 2024 and the results of operations and its cash flows for the three months ended March 31, 2024 and 2023. All such adjustments are of a normal recurring nature. The results of operations for the three-month period ended March 31, 2024, are not necessarily indicative of the results to be expected for the year ending December 31, 2024.

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

**Recently adopted accounting guidance**

*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**

*Improvements to Reportable Segment Disclosures*

In November 2023, FASB issued ASU No. 2023-07 *Improvements to Reportable Segment Disclosures*. The amendments in this update improve financial reporting by requiring disclosure of incremental segment information on an interim and annual basis, primarily through enhanced disclosures about significant segment expenses. The amendments are effective for

fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted with retrospective application to all prior periods presented in the financial statements. The Company is currently assessing the impacts of this ASU on its disclosures for the year ended December 31, 2024.

*Improvements to Income Tax Disclosures*

In December 2023, FASB issued ASU No. 2023-09 *Improvements to Income Tax Disclosures*. The amendments in this update encourage transparency in income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid disclosures. The amendments are effective for annual periods beginning after December 15, 2024 with early adoption permitted and should be applied on a prospective basis, however, retrospective application is permitted. The Company is currently assessing the impacts of this ASU on its disclosures.

#### **4. Acquisitions**

During the three months ended March 31, 2024, the Company did not make any significant adjustments to the allocation of the purchase consideration for acquisitions completed in 2023.

*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 March 31, 2024, was \$40,843 (December 31, 2023 - \$44,712). See note 16 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, 2024, was \$87,310 (December 31, 2023 - \$90,480). The estimated range of outcomes (undiscounted) for all contingent consideration arrangements, including those with an element of compensation is determined based on the likelihood of achieving specified earnings levels over the contingency period, and ranges from \$343,856 to a maximum of \$401,084. These contingencies will expire during the period extending to September 2028.

#### **5. Warehouse fund assets**

During the three months ended March 31, 2024, the Company acquired controlling interest in one investment in land located in the United States. The Company divested one of its investments during the first quarter, including the assets held at December 31, 2023, with de minimis gain. The Company typically divests investments in warehouse fund assets within 12 months without significant gain or loss.

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 warehouse fund assets in the three months ended March 31, 2024, or 2023.

The following table summarizes the warehouse fund assets:

	March 31, 2024	December 31, 2023
<b>Warehouse fund assets</b>		
Warehouse fund assets	\$ 42,982	\$ 44,492
Warehouse fund assets - non-current	\$ 80,382	\$ 47,536
Total warehouse fund assets	\$ 123,364	\$ 92,028
<b>Liabilities related to warehouse fund assets</b>		
Liabilities related to warehouse fund assets - non-current	\$ 84,545	\$ 47,536
Total liabilities related to warehouse fund assets	\$ 84,545	\$ 47,536
<b>Net warehouse fund assets</b>	<b>\$ 38,819</b>	<b>\$ 44,492</b>

## 6. Acquisition-related items

	Three months ended March 31	
	2024	2023
Transaction costs	\$ 5,608	\$ 2,256
Contingent consideration fair value adjustments (note 16)	(3,253)	2,211
Contingent consideration compensation expense (note 4)	(415)	22,001
	\$ 1,940	\$ 26,468

## 7. 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:

March 31, 2024	Gross carrying amount	Accumulated amortization	Net
Indefinite life intangible assets:			
Licenses	\$ 29,200	\$ -	\$ 29,200
Trademarks and trade names	23,306	-	23,306
	\$ 52,506	\$ -	\$ 52,506
Finite life intangible assets:			
Customer lists and relationships	\$ 700,376	\$ 230,928	\$ 469,448
Investment management contracts	590,399	195,073	395,326
Mortgage servicing rights ("MSRs")	193,495	88,465	105,030
Trademarks and trade names	27,487	8,315	19,172
Management contracts and other	13,767	10,965	2,802
Backlog	907	831	76
	\$ 1,526,431	\$ 534,577	\$ 991,854
	\$ 1,578,937	\$ 534,577	\$ 1,044,360

<b>December 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	23,408	-	23,408
	\$ 52,608	\$ -	\$ 52,608
Finite life intangible assets:			
Customer lists and relationships	\$ 707,355	\$ 218,435	\$ 488,920
Investment management contracts	591,826	181,653	410,173
Mortgage servicing rights ("MSRs")	188,489	84,058	104,431
Trademarks and trade names	27,563	7,486	20,077
Management contracts and other	13,893	10,547	3,346
Backlog	6,349	5,433	916
	\$ 1,535,475	\$ 507,612	\$ 1,027,863
	\$ 1,588,083	\$ 507,612	\$ 1,080,471

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, 2024, or 2023.

The following table summarizes activity related to the Company's mortgage servicing rights for the year ended March 31, 2024:

	<b>2024</b>
Balance, January 1	\$ 104,431
Additions, following the sale of loan	5,006
Amortization	(3,867)
Prepayments and write-offs	(540)
Balance, March 31	\$ 105,030

The following is the estimated future expense for amortization of the finite life 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>
2024 (remaining nine months)	\$ 9,645	\$ 82,939	\$ 92,584
2025	11,688	103,221	114,909
2026	11,019	102,446	113,465
2027	10,250	93,128	103,378
2028	9,588	87,154	96,742
Thereafter	52,840	417,936	470,776
	\$ 105,030	\$ 886,824	\$ 991,854

## 8. Long-term debt

On April 28, 2023, the Company increased the multi-currency, sustainability-linked senior unsecured revolving credit facility (the "Revolving Credit Facility") by \$250,000 from \$1,500,000 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. For the three-month period ended March 31, 2024, the weighted average interest rate on borrowings under the Revolving Credit Facility was 7.0% (December 31,

2023 – 6.6%). The Revolving Credit Facility had \$914,348 of available undrawn credit as at March 31, 2024 (\$759,358 as at December 31, 2023). As at March 31, 2024, letters of credit in the amount of \$13,177 were outstanding against the Revolving Credit Facility (\$13,532 as at December 31, 2023). 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 March 31, 2024. The Company is limited from undertaking certain mergers, acquisitions and dispositions without prior approval.

## 9. Warehouse credit facilities

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

	Current Maturity	March 31, 2024		December 31, 2023	
		Maximum Capacity	Carrying Value	Maximum Capacity	Carrying Value
Facility A - SOFR plus 1.40%	October 17, 2024	\$ 275,000	\$ 21,403	\$ 275,000	\$ 168,780
Facility B - SOFR plus 1.45%	On demand	125,000	-	125,000	-
		<b>\$ 400,000</b>	<b>\$ 21,403</b>	<b>\$ 400,000</b>	<b>\$ 168,780</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 warehouse mortgages financed on the facilities.

## 10. AR Facility

In 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”). As of March 31, 2024, the Company’s draw under the \$200,000 AR Facility was \$180,065.

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, 2024, 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 March 31, 2024, the DPP was \$87,699 (December 31, 2023 - \$107,743) and was included in Prepaid expenses and other current assets on the Consolidated Balance Sheets. For the three months ending March 31, 2024, Receivables sold under the AR Facility were

\$392,633 and cash collections from customers on Receivables sold were \$435,921, 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, 2024, the outstanding principal on trade accounts receivable, net of expected credit losses, sold under the AR Facility was \$186,407; and the outstanding principal on contract assets, current and non-current, sold under the AR Facility was \$110,962. See note 16 for fair value information on the DPP.

For the three months ended March 31, 2024, the Company recognized a loss related to Receivables sold of \$5 (2023 - \$123 gain) that was recorded in other expense in the consolidated statement of earnings. Based on the Company's collection history, the fair value of the Receivables sold subsequent to the initial sale approximates carrying value.

The non-cash investing activities associated with the DPP for the three months ended March 31, 2024, were \$14,473.

## 11. Variable interest entities

The Company holds variable interests in certain Variable Interest Entities ("VIE") in its Investment Management segment which are not consolidated as it was determined that the Company is not the primary beneficiary. The Company's involvement with these entities is in the form of advisory fee arrangements and equity co-investments (typically 1%-2%). Equity co-investments are included in Other non-current assets on the consolidated balance sheets.

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Non-consolidated investments	\$ 29,923	\$ 29,631
Co-investment commitments	43,179	42,395
Maximum exposure to loss	\$ 73,102	\$ 72,026

## 12. 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>2024</b>
Balance, January 1	\$ 1,072,066
RNCI share of earnings	8,612
RNCI redemption increment	(7,442)
Distributions paid to RNCI	(10,394)
Purchase of interests from RNCI	(3,194)
Sale of interests to RNCI	559
Balance, March 31	\$ 1,060,207

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, 2024, was \$920,429 (December 31, 2023 - \$943,235). 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, 2024, approximately 7,650,000 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.

### 13. Net earnings per common share

The stock options were anti-dilutive for the three-month period ended March 31, 2023 and dilutive for the three-month period ended March 31, 2024.

For the three-month period ended March 31, 2023, diluted EPS is calculated using the "if-converted" method of calculating earnings per share in relation to the Company's 4.0% Convertible Senior Subordinated Notes due 2025 (the "Convertible Notes") which were fully converted or redeemed by June 1, 2023. The "if-converted" method is used if the impact of the assumed conversion is dilutive. When dilutive, the interest charges (net of income tax) recorded in relation to the Convertible Notes prior to conversion or redemption is adjusted from the numerator and the additional shares issuable on conversion of the Convertible Notes for the portion of the period while they were outstanding are added to the denominator of the earnings per share calculation. The "if-converted" method was anti-dilutive for the three-month period ended March 31, 2023.

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>2024</b>	<b>2023</b>
Net earnings (loss) attributable to Company	\$ 12,657	\$ (20,152)
After-tax interest on Convertible Notes	-	-
Adjusted numerator considering the If-Converted Method	\$ 12,657	\$ (20,152)
Weighted average common shares - Basic	48,498	43,047
Exercise of stock options	347	-
Conversion of Convertible Notes	-	-
Weighted average common shares - Diluted	48,845	43,047

On April 4, 2023, the Company issued a notice of redemption to all holders of the Convertible Notes. During the period leading up to the redemption date of June 1, 2023, \$230,000 of Convertible Notes were converted or redeemed resulting in the issuance of 4,015,720 Subordinate Voting Shares.

On February 28, 2024, the Company issued 2,479,500 Subordinate Voting Shares for gross proceeds of \$300,019. The total proceeds net of commissions and fees, were recorded in common shares. The net proceeds were used to repay balance outstanding on the Revolving Credit Facility.

### 14. 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, 2024, there were 102,300 options available for future grants.

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

Stock option activity for the three months ended March 31, 2024 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, 2023	3,242,250	\$ 101.73		
Exercised	(202,500)	69.77		
Shares issuable under options - March 31, 2024	3,039,750	\$ 103.86	3.1	\$ 66,077
Options exercisable - March 31, 2024	1,183,039	\$ 99.01	2.2	\$ 32,071

The amount of compensation expense recorded in the statement of earnings for the three months ended March 31, 2024 was \$6,688 (2023 - \$5,657). As of March 31, 2024, there was \$42,624 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, 2024, the fair value of options vested was \$283 (2023 - \$2,555).

## 15. Income tax

The provision for income tax for the three months ended March 31, 2024, reflected an effective tax rate of 41.4% (2023 - 134.5%) relative to the combined statutory rate of approximately 26.5% (2023 - 26.5%). The tax rate of both current and prior periods were impacted by (i) 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 and (ii) valuation allowances on losses incurred by certain subsidiaries.

## 16. 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, 2024:

	Level 1	Level 2	Level 3
<b>Assets</b>			
Cash equivalents	\$ 3,795	\$ -	\$ -
Equity securities	9,422	12	-
Debt securities	-	54,077	-
Mortgage derivative assets	-	-	7,772
Warehouse receivables	-	27,499	-
Interest rate swap assets	-	12,424	-
Deferred Purchase Price on AR Facility	-	-	87,699
Total assets	\$ 13,217	\$ 94,012	\$ 95,471
<b>Liabilities</b>			
Mortgage derivative liabilities	\$ -	\$ -	\$ 4,734
Contingent consideration liabilities	-	-	40,843
Total liabilities	\$ -	\$ -	\$ 45,577

Equity securities, debt securities, mortgage derivative assets, interest rate swap assets and the deferred purchase price on the AR Facility were included in prepaid expenses and other current assets on the consolidated balance sheets. There were no significant non-recurring fair value measurements recorded during the three months ended March 31, 2024.

**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 US Treasury yield curve, trading levels, market consensus prepayment speeds, credit information and the instruments' terms and conditions and are classified as Level 2 of the fair value hierarchy.

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

**Mortgage-related derivatives**

Interest rate lock commitments and forward sale commitments are derivative instruments which use a discounted cash flow model and consider observable market data in determining their fair values, particularly changes in interest rates. In the case of interest rate lock commitments, the fair value measurement also considers the expected net cash flows associated with the servicing of the loans. The Company also considers the impact of unobservable inputs related to counterparty non-performance risk when measuring the fair value of these derivatives. Therefore, these mortgage-related derivatives are categorized as Level 3. The mortgage-related derivative assets and liabilities are included in Prepaid expenses and other current assets and Accounts payable and accrued expenses, respectively, on the consolidated balance sheets.

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

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

	<b>2024</b>
Balance, January 1	\$ 3,677
Settlements	(10,491)
Realized gains recorded in earnings	6,814
Unrealized gains recorded in earnings	3,037
Balance, March 31	\$ 3,037

**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, 2024, 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 10 for information on the AR Facility.

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

	<b>2024</b>
Balance, January 1	\$ 107,743
Additions to DPP	14,473
Collections on DPP	(33,918)
Fair value adjustment	(5)
Foreign exchange and other	(594)
Balance, March 31	\$ 87,699

### Interest rate swaps

The Company has entered into interest rate swap agreements (“IRS”) to convert floating interest on US dollar denominated debt to fixed interest rates. The interest rate swaps are measured at fair value and are included in Other assets on the consolidated balance sheets. The table below summarizes the details of the interest rate swaps in place as at March 31, 2024.

	<b>Effective Date</b>	<b>Maturity Date</b>	<b>Notional Amount of US dollar debt</b>	<b>Interest rates</b>	
				<b>Floating</b>	<b>Fixed</b>
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 A	April 28, 2023	May 27, 2027	\$ 100,000	SOFR	3.7250%
2023 IRS B	December 5, 2023	May 27, 2027	\$ 100,000	SOFR	4.0000%

2022 IRS A, 2022 IRS B, 2023 IRS A and 2023 IRS B (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”). As at March 31, 2024, unrealized gains of \$12,424 (December 31, 2023 - \$2,805) on the Designated IRSs were included 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 3.5% to 10.3%, with a weighted average of 6.0%). 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 \$800. See note 4 for discussion on contingent acquisition consideration.

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

	<b>2024</b>
Balance, January 1	\$ 44,712
Fair value adjustments (note 6)	(3,253)
Other	(616)
Balance, March 31	\$ 40,843
Less: current portion	\$ 36,211
Non-current portion	\$ 4,632

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 is 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.

	March 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Senior Notes	\$ 510,061	\$ 446,853	\$ 518,982	\$ 458,377

## 17. 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 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 16, 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, 2024, the Company has funded and sold loans subject to such loss sharing obligations with an aggregate unpaid principal balance of approximately \$5,213,000. As at March 31, 2024, the loss reserve was \$12,807 (December 31, 2023 - \$12,837) and was included within Other liabilities on the consolidated balance sheets.

Pursuant to its licenses with Fannie Mae, Ginnie Mae and the Department of Housing and Urban Development, 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. As at March 31, 2024, Colliers Mortgage was in compliance with all such requirements.

**18. Revenue****Disaggregated revenue**

Colliers has disaggregated its revenue from contracts with customers by type of service and operating segment as presented in the following table.

**OPERATING SEGMENT REVENUES**

	Americas	EMEA	Asia Pacific	IM	Corporate	Consolidated
<b>Three months ended March 31,</b>						
<b>2024</b>						
Leasing	\$ 196,147	\$ 24,146	\$ 22,944	\$ -	\$ -	\$ 243,237
Capital Markets	99,145	16,080	23,508	-	-	138,733
E&D and Project management	164,107	49,859	26,080	-	-	240,046
Property management	82,327	21,227	29,157	-	-	132,711
Valuation and advisory	43,524	32,239	22,753	-	-	98,516
IM - Advisory and other	-	-	-	119,521	-	119,521
IM - Incentive Fees	-	-	-	3,000	-	3,000
Other	21,161	3,017	1,915	-	123	26,216
<b>Total Revenue</b>	<b>\$ 606,411</b>	<b>\$ 146,568</b>	<b>\$ 126,357</b>	<b>\$ 122,521</b>	<b>\$ 123</b>	<b>\$ 1,001,980</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>

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"). During the three months ended March 31, 2024 - \$4,449 of Capital Markets revenue (2023 - \$9,793) and \$11,400 of Other Revenue (2023 - \$10,860) respectively, was excluded from the scope of ASC 606. Substantially all of these revenues were included within the Americas segment.

**Contract balances**

As at March 31, 2024, the Company had contract assets totaling \$127,536 of which \$109,633 was current (\$103,080 as at December 31, 2023 - of which \$83,389 was current). During the three months ended March 31, 2024, approximately 51% of the current contract assets were moved to accounts receivable or sold under the AR Facility (see note 10).

As at March 31, 2024, the Company had contract liabilities (all current) totaling \$46,458 (\$45,293 as at December 31, 2023). Revenue recognized for the three months ended March 31, 2024, totaled \$38,190 (2023 - \$17,352) 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.

**19. Segmented information***Operating segments*

Colliers has identified four reportable operating segments. Three segments are grouped geographically into Americas, Asia Pacific and EMEA. The IM segment operates in the Americas and EMEA. The groupings are based on the manner in which the segments are managed. Management assesses each segment's performance based on operating earnings or operating earnings before depreciation and amortization. Corporate includes the costs of global administrative functions and the corporate head office.

**OPERATING SEGMENTS**

	Americas	EMEA	Asia Pacific	IM	Corporate	Consolidated
<b>Three months ended March 31</b>						
<b>2024</b>						
Revenues	\$ 606,411	\$ 146,568	\$ 126,357	\$ 122,521	\$ 123	\$ 1,001,980
Depreciation and amortization	21,557	7,230	3,028	18,038	655	50,508
Operating earnings (loss)	29,037	(20,461)	11,540	38,880	(15,669)	43,327
<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

*Geographic information*

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

**GEOGRAPHIC INFORMATION**

	<b>Three months ended</b>	
	<b>March 31</b>	
	<b>2024</b>	<b>2023</b>
<b>United States</b>		
Revenues	\$ 580,506	\$ 568,215
Total long-lived assets	2,270,389	2,270,291
<b>Canada</b>		
Revenues	\$ 101,540	\$ 95,916
Total long-lived assets	108,631	75,650
<b>Euro currency countries</b>		
Revenues	\$ 81,911	\$ 86,395
Total long-lived assets	354,185	369,194
<b>Australia</b>		
Revenues	\$ 51,617	\$ 52,600
Total long-lived assets	109,236	106,550
<b>United Kingdom</b>		
Revenues	\$ 62,690	\$ 54,511
Total long-lived assets	517,545	526,082
<b>China</b>		
Revenues	\$ 19,367	\$ 20,240
Total long-lived assets	7,192	6,720
<b>Other</b>		
Revenues	\$ 104,349	\$ 88,026
Total long-lived assets	274,850	287,546
<b>Consolidated</b>		
Revenues	\$ 1,001,980	\$ 965,903
Total long-lived assets	3,642,028	3,642,033

**20. Subsequent events***Acquisitions*

On April 10, 2024, the Company completed the acquisition for a controlling interest in Colliers Philadelphia for a combined initial cash purchase price of \$14,169. The acquisition will be accounted for using the acquisition method for business combinations.