Unaudited Condensed Interim Consolidated Financial Statements of

CERVUS EQUIPMENT CORPORATION

For the three and six month periods ended June 30, 2017 and 2016

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Financial Position

As at June 30, 2017 and December 31, 2016

($ thousands)	Note	June 30, 2017	December 31, 2016
Assets			
Current assets			
Cash and cash equivalents		**$ 12,155**	$ 14,542
Trade and other accounts receivable		**68,130**	54,986
Inventories	5	**297,424**	255,231
Total current assets		**377,709**	324,759
Non-current assets			
Other long-term assets		**8,631**	9,537
Property and equipment		**68,941**	75,498
Intangible assets		**44,260**	46,514
Goodwill	6	**20,610**	20,544
Total non-current assets		**142,442**	152,093
Total assets		**$ 520,151**	$ 476,852
Liabilities			
Current liabilities			
Trade and other liabilities		**$ 104,691**	$ 84,340
Floor plan payables	7	**118,074**	86,091
Current portion of term debt	7	**12,681**	15,720
Debenture payable		**34,412**	33,899
Total current liabilities		**269,858**	220,050
Non-current liabilities			
Term debt	7	**10,497**	21,660
Finance lease obligation		**9,993**	10,695
Deferred income tax liability		**10,472**	10,608
Total non-current liabilities		**30,962**	42,963
Total liabilities		**300,820**	263,013
Equity			
Shareholders' capital	8	**90,443**	89,863
Deferred share plan		**8,501**	7,520
Other reserves		**5,195**	5,195
Accumulated other comprehensive income		**1,935**	1,219
Retained earnings		**113,257**	108,731
Total equity attributable to equity holders of the Company		**219,331**	212,528
Non-controlling interest	1	**-**	1,311
Total equity		**219,331**	213,839
Total liabilities and equity		**$ 520,151**	$ 476,852

Approved by the Board: "Peter Lacey" Director "Angela Lekatsas" Director

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

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income

For the three and six month periods ended June 30, 2017 and 2016

		Three month periods ended June 30		Six month periods ended June 30	
($ thousands)	Note	2017	2016	2017	2016
Revenue					
Equipment sales		**$ 276,736**	$ 219,323	**$ 435,388**	$ 358,951
Parts		**54,082**	50,253	**103,235**	95,350
Service		**22,159**	20,251	**41,400**	39,450
Rentals		**4,384**	4,945	**8,448**	9,563
Total revenue		**357,361**	294,772	**588,471**	503,314
Cost of sales		**(300,602)**	(246,984)	**(491,325)**	(416,308)
Gross profit		**56,759**	47,788	**97,146**	87,006
Other income	9	**1,137**	586	**1,866**	4,777
Selling, general and administrative expense		**(44,856)**	(41,758)	**(86,033)**	(79,981)
Income from operating activities		**13,040**	6,616	**12,979**	11,802
Net finance costs	10	**(1,543)**	(2,726)	**(3,098)**	(5,560)
Share of loss of equity accounted investees, net of income tax		**-**	(252)	**-**	(501)
Income before income tax expense		**11,497**	3,638	**9,881**	5,741
Income tax expense	11	**(3,132)**	(1,153)	**(3,149)**	(1,523)
Income for the period		**8,365**	2,485	**6,732**	4,218
Other comprehensive income:					
Foreign currency translation differences for foreign operations, net of tax		**879**	66	**716**	(754)
Total comprehensive income for the period		**9,244**	2,551	**7,448**	3,464
Income attributable to:					
Shareholders of the Company		**8,365**	2,485	**6,737**	4,218
Non-controlling interest		**-**	-	**(5)**	-
Income for the period		**8,365**	2,485	**6,732**	4,218
Total comprehensive income attributable to:					
Shareholders of the Company		**9,244**	2,551	**7,453**	3,464
Non-controlling interest		**-**	-	**(5)**	-
Total comprehensive income for the period		**$ 9,244**	$ 2,551	**$ 7,448**	$ 3,464
Net income per share attributable to shareholders of the Company:					
Basic	12	**$** 0.53	$ 0.16	**$** 0.43	$ 0.27
Diluted	12	**$** 0.50	$ 0.15	**$** 0.41	$ 0.26

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

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Changes in Equity

For the six month periods ended June 30, 2017 and 2016

Attributable to equity holders of the Company									
($ thousands)	Note	Share capital	Deferred share plan	Other reserves	Cumulative translation account	Retained earnings	Total	Non-controlling interest	Total equity
Balance December 31, 2015		**$ 88,270**	**$ 7,098**	**$ 5,182**	**$ 1,831**	**$ 89,413**	**$ 191,794**	**$ 1,499**	**$ 193,293**
Comprehensive loss for the period									
Profit		-	-	-	-	4,218	4,218	-	4,218
Other comprehensive income									
Foreign currency translation adjustments, net of tax		-	-	-	(754)	-	(754)	-	(754)
Total comprehensive loss for the period		-	-	-	(754)	4,218	3,464	-	3,464
Transactions with owners, recorded directly in equity									
Dividends to equity holders		-	-	-	-	(2,191)	(2,191)	-	(2,191)
Shares issued through DRIP		456	-	-	-	-	456	-	456
Shares issued through deferred share plan		367	(367)	-	-	-	-	-	-
Share-based payment transactions		-	1,035	13	-	-	1,048	-	1,048
Transactions with owners		823	668	13	-	(2,191)	(687)	-	(687)
Balance June 30, 2016		**$ 89,093**	**$ 7,766**	**$ 5,195**	**$ 1,077**	**$ 91,440**	**$ 194,571**	**$ 1,499**	**$ 196,070**
Balance December 31, 2016		**$ 89,863**	**$ 7,520**	**$ 5,195**	**$ 1,219**	**$ 108,731**	**$ 212,528**	**$ 1,311**	**$ 213,839**
Comprehensive income for the period									
Income		-	-	-	-	6,737	6,737	(5)	6,732
Other comprehensive income									
Foreign currency translation adjustments, net of tax		-	-	-	716	-	716	-	716
Total comprehensive income for the period		-	-	-	716	6,737	7,453	(5)	7,448
Transactions with owners, recorded directly in equity									
Dividends to equity holders		-	-	-	-	(2,211)	(2,211)	(1,306)	(3,517)
Shares issued through DRIP	8	390	-	-	-	-	390	-	390
Shares issued through deferred share plan	8	190	(190)	-	-	-	-	-	-
Share-based payment transactions		-	1,171	-	-	-	1,171	-	1,171
Transactions with owners		580	981	-	-	(2,211)	(650)	(1,306)	(1,956)
Balance June 30, 2017		**$ 90,443**	**$ 8,501**	**$ 5,195**	**$ 1,935**	**$ 113,257**	**$ 219,331**	**$ -**	**$ 219,331**

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Cash Flows

For the six month periods ended June 30, 2017 and 2016

		Six month periods ended June 30	
($ thousands)	**Note**	**2017**	**2016**
Income for the period		**$ 6,732**	$ 4,218
Adjustments for:			
Income tax expense	11	**3,149**	1,523
Depreciation		**4,953**	6,183
Amortization of intangibles		**2,560**	2,533
Equity-settled share-based payment transactions		**1,171**	361
Net finance costs	10	**3,900**	6,527
Unrealized foreign exchange (gain)	9	**(823)**	(2,861)
Non-cash write-down of inventories	5	**1,901**	4,253
(Gain) on sale of property and equipment and asset held for sale	9	**(886)**	(1,739)
Share of loss of equity accounted investees, net of tax		**-**	501
Change in non-cash working capital		**(2,475)**	(10,510)
Cash generated from operating activities		**20,182**	10,989
Cash taxes paid		**(6,107)**	(3,020)
Interest paid		**(2,937)**	(6,433)
Net cash provided from operating activities		**11,138**	1,536
Cash flows from investing activities			
Interest received	10	**231**	52
Purchase of property and equipment		**(2,939)**	(2,153)
Payments for intangible assets		**(307)**	(610)
Proceeds from disposal of property and equipment and asset held for sale		**7,047**	7,778
Net cash provided from investing activities		**4,032**	5,067
Cash flows from financing activities			
Net repayments from term debt		**(14,411)**	(2,252)
Cash dividends paid		**(1,816)**	(3,954)
Payment of finance lease liabilities		**(1,842)**	(4,460)
Receipt of deposits with manufacturers		**500**	(14)
Net cash (used in) financing activities		**(17,569)**	(10,680)
Net decrease in cash and cash equivalents		**(2,399)**	(4,077)
Effect of foreign currency translation on cash		**12**	285
Cash and cash equivalents, beginning of period		**14,542**	11,955
Cash and cash equivalents, end of period		**$ 12,155**	$ 8,163

1. Reporting entity

Cervus Equipment Corporation ("Cervus" or the "Company") is an incorporated entity under the Canada Business Corporations Act and is domiciled in Canada. The unaudited condensed interim consolidated financial statements of the Company as at and for the period ended June 30, 2017 are comprised of the Company and its subsidiaries ("the Group"). The Company is primarily involved in the sale, after-sale service and maintenance of agricultural, transportation, construction and industrial ("C&I") equipment. The Company also provides equipment rental, primarily in the transportation, construction and industrial equipment segments. The Company wholly owns and operates 64 dealerships in Canada, New Zealand, and Australia, employing more than 1,500 people. The primary equipment brands represented by Cervus include John Deere agricultural equipment; Bobcat and JCB construction equipment; Clark, Sellick and Doosan material handling equipment; and Peterbilt transportation equipment. The common shares of Cervus are listed on the Toronto Stock Exchange and trade under the symbol "CERV".

During June 2017, Deerstar Systems Inc. was dissolved. As part of the dissolution Cervus received its pro-rata share of net assets. Upon the dissolution of Deerstar System Inc., Cervus no longer has a non-controlling interest balance.

2. Basis of preparation

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". The unaudited condensed interim consolidated financial information should be read in conjunction with the annual financial statements prepared for the year ended December 31, 2016.

The Board of Directors authorized the issue of these unaudited condensed interim consolidated financial statements on August 9, 2017.

(b) Use of judgements and estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2016.

3. Significant accounting policies

The accounting policies applied are consistent with those of the annual financial statements prepared for the year ended December 31, 2016.

Standards issued but not yet effective

Effective January 1, 2018, the Company will be required to adopt IFRS 15 related to revenue from contracts with customers. Revenue from Contracts with Customers, was issued in May 2014 and replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services. The extent of the impact of adoption of the standard has not yet been determined.

3. Significant accounting policies (continued)

The IASB has released updates to IFRS 9, related to the accounting and presentation of financial instruments and applies a principal-based approach to the classification and measurement of financial assets and financial liabilities, including an expected credit loss model for calculating impairment, and includes new requirements for hedge accounting. The mandatory effective date is January 1, 2018; however, early adoption is permitted. The Company intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

On January 13, 2016 the IASB issued IFRS 16 Leases. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17 Leases. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019 and is completing an assessment documenting the potential impact on its consolidated financial statements. Under the application of this standard, the operating lease commitments are expected to be the primary source of changes to the consolidated statements of financial position and the timing of expenses in the consolidated statements of comprehensive income.

4. Seasonality

The Canadian, New Zealand and Australian retailing of agricultural, transportation, commercial, and industrial equipment is influenced by seasonality. Sales activity for the agricultural equipment segment is normally highest between April and September during growing seasons in Canada and July through December in New Zealand and Australia. Sales in the commercial, industrial, and transportation equipment segment are not as heavily impacted by seasonality but do see slower sales activity in the winter months. As a result, profit or losses may not accrue uniformly from quarter to quarter.

5. Inventories

($ thousands)	June 30, 2017	December 31, 2016
New equipment	$ 127,584	$ 104,424
Used equipment	114,774	101,073
Parts and accessories	53,647	48,398
Work-in-progress	1,419	1,336
	$ 297,424	$ 255,231

Included in costs of sales are amounts related to inventory write-downs, during the three and six month periods ended June 30, 2017 and 2016 of $2,109 thousand (2016 - $2,561 thousand) and $1,901 thousand (2016 - $4,253 thousand), respectively.

6. Goodwill

The movements in the net carrying amount of goodwill are as follows:

($ thousands)	
Balance at January 1, 2016	$ 20,616
Impact of translation of goodwill held in foreign currencies	(72)
Balance at December 31, 2016	$ 20,544
Impact of translation of goodwill held in foreign currencies	**66**
Balance at June 30, 2017	**$ 20,610**

7. Capital resources

The Company has various facilities, the amount available under which are limited to the lesser of pre-approved credit limits or the available unencumbered assets. A summary of the Company's maximum pre-approved credit limits on available credit facilities as at June 30, 2017 are as follows:

	June 30, 2017		**December 31, 2016**	
($ thousands)	**Total Limits**	**Borrowings**	**Total Limits**	**Borrowings**
Operating and other bank credit facilities	**$ 100,000**	**$ -**	$ 100,000	$ 11,100
Capital facilities	**58,648**	**15,138**	58,809	15,543
Floor plan facilities and rental equipment term loan financing	**464,488**	**126,593**	463,883	97,220
Total borrowing	**$ 623,136**	**$ 141,731**	$ 622,692	$ 123,863
Total current portion long term debt		**(12,681)**		(15,720)
Total inventory floor plan facilities		**(118,074)**		(86,091)
Deferred debt issuance costs		**(479)**		(392)
Total long term debt	**$ 623,136**	**$ 10,497**	$ 622,692	$ 21,660

As at June 30, 2017 the Company is in compliance with all of its covenants.

Operating and other bank credit facilities - Operating and other bank credit facilities include the Canadian amounts as well as the New Zealand and Australian amounts.

Floor plan facilities - The Company utilizes floor plan financing arrangements with various suppliers for inventory and rental equipment purchases.

Capital facilities - Capital facilities consist of capital asset financing primarily through credit facilities with Farm Credit Canada and Affinity Credit Union.

8. Capital and other components of equity

The Company has unlimited authorized share capital without par value for all common shares. All issued common shares have been fully paid.

Share capital

(thousands)	Number of common shares		Total carrying amount
Balance at January 1, 2016	15,606	$	88,270
Issued under the DRIP plan	40		456
Issued under the deferred share plan	30		367
Balance at June 30, 2016	15,676	$	89,093
Issued under the DRIP plan	39		427
Issued under the deferred share plan	35		343
Balance at December 31, 2016	15,750		89,863
Issued under the DRIP plan	**30**		**390**
Issued under the deferred share plan	**23**		**190**
Balance at June 30, 2017	**15,803**	**$**	**90,443**

9. Other income

Other income for the three and six month periods ended June 30, 2017 and 2016 are comprised of the following:

	Three month periods ended June 30				Six month periods ended June 30			
($ thousands)		**2017**		**2016**		**2017**		**2016**
Net gain on sale of property and equipment	**$**	**818**	$	155	**$**	**886**	$	1,739
Unrealized foreign exchange gain (a)		**633**		154		**823**		2,861
Other income (loss)		**(314)**		277		**157**		177
	$	**1,137**	$	586	**$**	**1,866**	$	4,777

(a) – Unrealized foreign exchange gain/(loss) is due to changes in fair value of our derivative financial asset and from period close translation of floorplan payables and cash denominated in US dollars.

10. Finance income and finance costs

	Three month periods ended June 30		Six month periods ended June 30	
($ thousands)	**2017**	**2016**	**2017**	**2016**
Finance Income	**$ 137**	$ 23	**$ 231**	$ 52
Interest expense on convertible debenture	**(777)**	(754)	**(1,548)**	(1,503)
Interest expense on mortgage and term debt obligations	**(178)**	(937)	**(408)**	(1,864)
Interest expense on financial liabilities	**(1,124)**	(1,491)	**(2,175)**	(3,212)
Finance Costs	**$ (2,079)**	$ (3,182)	**$ (4,131)**	$ (6,579)
Net finance costs recognized separately	**(1,543)**	(2,726)	**(3,098)**	(5,560)
Net finance costs recognized in cost of sales	**(399)**	(433)	**(802)**	(967)
Total Net Finance Costs	**$ (1,942)**	$ (3,159)	**$ (3,900)**	$ (6,527)

11. Income taxes

Tax expense recognized in statement of comprehensive income

	Three month periods ended June 30		Six month periods ended June 30	
($ thousands)	**2017**	**2016**	**2017**	**2016**
Current income tax expense	**$ (3,300)**	$ (1,329)	**$ (3,283)**	$ (1,113)
Deferred income tax recovery (expense)	**168**	176	**134**	(410)
Income tax expense	**$ (3,132)**	$ (1,153)	**$ (3,149)**	$ (1,523)

The expense for the three and six months ended June 30, 2017 and 2016 can be reconciled to the accounting profit (loss) based on using federal and provincial statutory rates of 26.8% (2016 – 26.4%) as follows:

	Three month periods ended June 30		Six month periods ended June 30	
($ thousands)	**2017**	**2016**	**2017**	**2016**
Income before income tax expense	**$ 11,497**	$ 3,638	**$ 9,881**	$ 5,741
Expected income tax expense	**(3,083)**	(960)	**(2,650)**	(1,516)
Non-deductible costs and other	**(49)**	(193)	**(499)**	(7)
Income tax expense	**$ (3,132)**	$ (1,153)	**$ (3,149)**	$ (1,523)

The recent corporate tax rate decrease in Saskatchewan for current and future periods enacted in the quarter decreased deferred income tax expense. The estimated impact of the corporate tax rate decreases on deferred tax expense for the three and six months ended June 30, 2017 was $0.1 million.

12. Per share amounts

Per share amounts

Both basic and diluted earnings per share have been calculated using the net earnings attributable to the shareholders of the Company as the numerator. No adjustments to net earnings were necessary for the three and six month periods ended June 30, 2017 and 2016. The weighted average number of shares for the purposes of diluted earnings per share can be reconciled to the weighted average number of basic shares as follows:

	Three month periods ended June 30		Six month periods ended June 30	
($ thousands)	**2017**	**2016**	**2017**	**2016**
Issued common shares opening	**15,767**	15,622	**15,750**	15,606
Effect of shares issued under the DRIP plan	**14**	189	**19**	26
Effect of shares issued under the deferred share plan	**11**	183	**7**	9
Weighted average number of common shares	**15,792**	15,994	**15,776**	15,641

Diluted earnings per share

The calculation of diluted earnings per share at June 30, 2017 and 2016 was based on the profit attributable to common shareholders and the weighted average number of common shares outstanding after adjustment for the effects of dilutive potential common shares which consist of the following:

	Three month periods ended June 30		Six month periods ended June 30	
($ thousands)	**2017**	**2016**	**2017**	**2016**
Weighted average number of common shares (basic)	**15,792**	15,994	**15,776**	15,641
Effect of dilutive securities:				
Deferred share plan	**827**	791	**827**	791
Weighted average number of shares (diluted)	**16,619**	16,785	**16,603**	16,432

The above table includes all deferred share units for the three and six months ended June 30, 2017 (827 thousand). However, the above per share amounts do not include amounts associated with the Company's convertible debenture for June 30, 2017 and 2016 as they are considered anti-dilutive.

13. Segment information

The Company operates under three segments: Agriculture, Commercial and Industrial, and Transportation based on the industries which they serve. These segments are managed separately, and strategic decisions are made on the basis of their respective operating results. These three business segments are considered to be the Company's three strategic business units. The three business segments offer different products and services and are managed separately as they operate in different markets and require separate strategies. For each of the strategic business units, the Company's key decision makers review internal management reports on a monthly basis.

Each of these business segment operations are supported by a single shared corporate head office. Certain corporate head office expenses are allocated to the business segments under either specific identification approach or a usage based metric. The corporate head office also incurs certain costs which are considered as public company costs, which are allocated to the segments based on the gross margin of the Canadian operations. Total corporate related expenditures, excluding income taxes, that have been allocated for the three and six month periods ended June 30, 2017 are $1,215 thousand and $2,579 thousand, respectively (2016 - $1,968 thousand and $3,721 thousand).

The following is a summary of financial information for each of the reportable segments.

($ thousands)	Agricultural Equipment	Transportation Equipment	Commercial and Industrial Equipment	Total
Segmented income figures				
Three months ended June 30, 2017				
Revenue	$ 234,567	$ 95,135	$ 27,659	**$ 357,361**
Income for the period before income tax	8,380	2,088	1,029	**11,497**
Depreciation and amortization	1,790	1,454	658	**3,902**
Finance income	108	20	9	**137**
Finance expense including amounts in costs of sales	(1,048)	(873)	(158)	**(2,079)**
Capital additions, including finance leases	1,277	(780)	114	**611**
Six months ended June 30, 2017				
Revenue	$ 380,746	$ 159,540	$ 48,185	**$ 588,471**
Income for the period before income tax	7,432	820	1,629	**9,881**
Depreciation and amortization	3,476	2,713	1,324	**7,513**
Finance income	144	58	29	**231**
Finance expense including amounts in costs of sales	(1,994)	(1,752)	(385)	**(4,131)**
Capital additions, including finance leases	2,223	484	232	**2,939**
Segmented assets as June 30, 2017				
Reportable segment assets	$ 329,071	$ 137,207	$ 53,873	**$ 520,151**
Reportable segment liabilities	189,232	86,127	25,461	**300,820**
Investment in associates	504	-	-	**504**
Intangible assets	24,997	12,679	6,584	**44,260**
Goodwill	15,870	2,547	2,193	**20,610**

13. Segment information (continued)

($ thousands)	Agricultural Equipment	Transportation Equipment	Commercial and Industrial Equipment	Total
Segmented income figures				
Three months ended June 30, 2016				
Revenue	$ 188,168	$ 86,807	$ 19,797	$ 294,772
(Loss) income for the period before income tax	3,939	701	(1,002)	3,638
Share of loss of equity accounted investees	(252)	-	-	(252)
Depreciation and amortization	2,109	1,368	700	4,177
Finance income	20	2	1	23
Finance expense including amounts in costs of sales	(1,670)	(1,195)	(317)	(3,182)
Capital additions, including finance leases	1,109	329	59	1,497
Six months ended June 30, 2016				
Revenue	$ 319,522	$ 143,136	$ 40,656	$ 503,314
(Loss) income for the period before income tax	3,454	3,202	(915)	5,741
Share of profit of equity accounted investees	(501)	-	-	(501)
Depreciation and amortization	4,433	2,767	1,516	8,716
Finance income	49	2	1	52
Finance expense including amounts in costs of sales	(3,386)	(2,558)	(635)	(6,579)
Capital additions, including finance leases	1,528	479	146	2,153
Segmented assets as June 30, 2016				
Reportable segment assets	$ 385,243	$ 154,093	$ 58,716	$ 598,052
Reportable segment liabilities	257,575	107,609	36,798	401,982
Investment in associates	5,260	-	-	5,260
Intangible assets	27,585	14,229	7,045	48,859
Goodwill	15,784	2,547	2,193	20,524

The Company primarily operates in Canada but includes subsidiaries in Australia (Cervus Australia PTY Ltd.) and, in New Zealand (Cervus NZ Equipment Ltd.) which operate 15 agricultural equipment dealerships. Gross revenues for the three and six month periods ended June 30, 2017 for the New Zealand and Australian territories were $41,685 thousand and $73,312 thousand, respectively (2016 – $32,691 thousand and $64,835 thousand). Non-current assets for the geographic territories of New Zealand and Australia as at June 30, 2017 were $21,041 thousand (2016 - $28,220 thousand).

14. Commitments and contingencies

Financing Arrangements

John Deere Credit Inc. ("Deere Credit") and other financing companies provide financing to certain of the Company's customers. A portion of this financing is with recourse to the Company if the amounts are uncollectible. At June 30, 2017 payments in arrears by such customers aggregated $827 thousand (2016 - $519 thousand). In addition, the Company is responsible for assuming all lease obligations held by its customers with Deere Credit and other financing companies through recourse arrangements for the net residual value of the lease outstanding at the maturity of the contract. At June 30, 2017, the net residual value of such leases aggregated $251,027 thousand (2016 - $197,239 thousand). Management believes that the potential liability in relation to the amounts outstanding is negligible and consequently, no accrual has been made in these financial statements in relation to any potential loss on assumed lease obligations.

15. Subsequent event

On July 31, 2017, the Company's $35 million convertible debenture matured and was repaid in cash. Repayment was funded by a draw on the Company's long term committed syndicated credit facility, resulting in no net change to the Company's total long term debt on repayment of the debenture.