

Unaudited Condensed Interim
Consolidated Financial
Statements of

**CERVUS EQUIPMENT
CORPORATION**

For the three and nine month periods ended September 30, 2020 and 2019

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2020 and December 31, 2019

(\$ thousands)	Note	September 30, 2020	December 31, 2019
Assets			
Current assets			
Cash and cash equivalents		\$ 26,762	\$ 7,946
Accounts receivable and other assets		50,720	66,555
Inventories	5	258,802	319,619
Total current assets		336,284	394,120
Non-current assets			
Other long-term assets		12,251	13,599
Property and equipment		137,574	138,705
Intangible assets		37,470	38,015
Goodwill		23,105	22,897
Total non-current assets		210,400	213,216
Total assets		\$ 546,684	\$ 607,336
Liabilities			
Current liabilities			
Trade and other liabilities		\$ 93,753	\$ 63,183
Floor plan payables	6	104,884	173,992
Current portion of term debt	6	2,840	9,795
Current portion of lease obligation		8,528	8,799
Total current liabilities		210,005	255,769
Non-current liabilities			
Term debt	6	3,158	33,370
Lease obligation		83,417	84,084
Deferred income tax liability		6,807	6,975
Total non-current liabilities		93,382	124,429
Total liabilities		303,387	380,198
Equity			
Shareholders' capital	7	85,882	83,740
Deferred share plan		5,542	10,271
Other reserves		5,204	5,195
Accumulated other comprehensive income (loss)		1,180	(136)
Retained earnings		145,489	128,068
Total equity		243,297	227,138
Total liabilities and equity		\$ 546,684	\$ 607,336

Approved by the Board:

"Peter Lacey" Director

"Wendy Henkelman" Director

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

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income (Loss)
For the three and nine month periods ended September 30, 2020 and 2019

(\$ thousands)	Note	Three month periods ended September 30		Nine month periods ended September 30	
		2020	2019	2020	2019
Revenue					
Equipment sales		\$ 259,871	\$ 228,637	\$ 702,254	\$ 634,342
Parts		70,970	61,197	178,324	165,737
Service		21,336	23,061	61,732	65,643
Rentals and other		3,986	4,187	11,699	13,763
Total revenue		356,163	317,082	954,009	879,485
Cost of sales		(299,174)	(274,235)	(802,359)	(747,035)
Gross profit		56,989	42,847	151,650	132,450
Other income	8	6,496	766	6,920	3,261
Selling, general and administrative expense		(42,888)	(42,499)	(124,204)	(128,017)
Income from operating activities		20,597	1,114	34,366	7,694
Finance income		126	176	439	535
Finance costs		(2,419)	(3,598)	(8,789)	(9,868)
Net finance costs	9	(2,293)	(3,422)	(8,350)	(9,333)
Income (loss) before income tax expense		18,304	(2,308)	26,016	(1,639)
Income tax (expense) recovery		(5,281)	633	(6,420)	69
Income (loss) for the period		13,023	(1,675)	19,596	(1,570)
Other comprehensive income (loss)					
Foreign currency translation differences for foreign operations, net of tax		561	(1,584)	1,316	(2,824)
Total comprehensive income (loss) for the period		13,584	(3,259)	20,912	(4,394)
Net income (loss) per share:					
Basic	10	\$ 0.84	\$ (0.11)	\$ 1.26	\$ (0.10)
Diluted	10	\$ 0.81	\$ (0.11)	\$ 1.21	\$ (0.10)

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

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Changes in Equity
For the nine month periods ended September 30, 2020 and 2019

Attributable to Equity Holders of the Company							
(\$ thousands)	Note	Share capital	Deferred share plan	Other reserves	Cumulative translation account	Retained earnings	Total
Balance December 31, 2018		\$ 86,540	\$ 8,693	\$ 5,195	\$ 506	\$ 142,765	\$ 243,699
Balance at January 1, 2019, as previously reported		86,540	8,693	5,195	506	142,765	243,699
Impact of change in accounting policy		-	-	-	-	690	690
Adjusted balances at January 1, 2019		\$ 86,540	\$ 8,693	\$ 5,195	\$ 506	\$ 143,455	\$ 244,389
Loss for the period		-	-	-	-	(1,570)	(1,570)
Foreign currency translation adjustments, net of tax		-	-	-	(2,824)	-	(2,824)
Total comprehensive loss for the year		-	-	-	(2,824)	(1,570)	(4,394)
Transactions with owners, recorded directly in equity							
Dividends to equity holders		-	-	-	-	(5,079)	(5,079)
Shares issued through DRIP		661	-	-	-	-	661
Shares issued through deferred share plan		266	(266)	-	-	-	-
Share-based payment transactions		-	1,105	-	-	-	1,105
Common shares repurchased		(3,941)	-	-	-	-	(3,941)
Transactions with owners		(3,014)	839	-	-	(5,079)	(7,254)
Balance September 30, 2019		\$ 83,526	\$ 9,532	\$ 5,195	\$ (2,318)	\$ 136,806	\$ 232,741
Balance December 31, 2019		\$ 83,740	\$ 10,271	\$ 5,195	\$ (136)	\$ 128,068	\$ 227,138
Income for the period		-	-	-	-	19,596	19,596
Foreign currency translation adjustments, net of tax		-	-	-	1,316	-	1,316
Total comprehensive income for the period		-	-	-	1,316	19,596	20,912
Transactions with owners, recorded directly in equity							
Dividends to equity holders		-	-	-	-	(2,175)	(2,175)
Shares issued through DRIP	7	356	-	-	-	-	356
Shares issued through deferred share plan	7	3,920	(3,920)	-	-	-	-
Shares issued through option plan		-	-	9	-	-	9
Share-based payment transactions		-	(809)	-	-	-	(809)
Common shares repurchased	7	(2,134)	-	-	-	-	(2,134)
Transactions with owners		2,142	(4,729)	9	-	(2,175)	(4,753)
Balance September 30, 2020		\$ 85,882	\$ 5,542	\$ 5,204	\$ 1,180	\$ 145,489	\$ 243,297

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statement of Cash Flows
For the nine month periods ended September 30, 2020 and 2019

(\$ thousands)	Note	Nine month periods ended September 30	
		2020	2019
Cash flows from operating activities			
Income (loss) for the period		\$ 19,596	\$ (1,570)
Adjustments for:			
Income tax expense (recovery)		6,420	(69)
Depreciation		13,338	14,486
Amortization of intangibles		2,832	3,671
Equity-settled share-based payment transactions		(799)	1,105
Net finance costs	9	8,955	10,051
Unrealized foreign exchange loss (gain)	8	1,045	(1,016)
Non-cash impairment of inventories	5	3,032	13,510
(Gain) on sale of property and equipment	8	(197)	(581)
Change in non-cash working capital	11	20,513	(578)
Cash provided from operating activities		74,735	39,009
Cash taxes received (paid)		5,891	(7,752)
Interest paid		(9,422)	(10,586)
Net cash provided from operating activities		71,204	20,671
Cash flows from investing activities			
Interest received		439	535
Purchase of property and equipment		(4,976)	(14,436)
(Payments for) proceeds from intangible assets		(2,264)	729
Proceeds from disposal of property and equipment		2,030	1,708
Net cash (used in) investing activities		(4,771)	(11,464)
Cash flows from financing activities			
Net (repayments) proceeds from term debt		(37,221)	4,569
Dividends paid		(3,282)	(4,290)
Payment of lease obligation		(6,849)	(5,732)
(Payment) receipt of deposits with manufacturers		(717)	388
Purchase of common shares	7	(2,134)	(3,941)
Net cash (used in) financing activities		(50,203)	(9,006)
Increase in cash and cash equivalents		16,230	201
Effect of foreign currency translation on cash		2,586	839
Cash and cash equivalents, beginning of period		7,946	6,106
Cash and cash equivalents, end of period		\$ 26,762	\$ 7,146

CERVUS EQUIPMENT CORPORATION

Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine month periods ended September 30, 2020 and 2019

1. Reporting Entity

Cervus Equipment Corporation ("Cervus" or the "Company") is incorporated under the Canada Business Corporations Act and is domiciled in Canada. The registered office of the Company is situated at 6302 – 333, 96th Avenue N.E., Calgary, Alberta, Canada, T3K 0S3. The unaudited condensed interim consolidated financial statements of the Company as at and for the period ended September 30, 2020, comprise the Company and its subsidiaries.

Cervus provides equipment solutions to customers in agriculture, transportation, and industrial markets across Canada, Australia, and New Zealand. Throughout its territories and across its diverse markets, Cervus dealerships are united in delivering sales and support of the market-leading equipment our customers depend on to earn a living. The Company operates 64 Cervus dealerships and is the authorized representative of leading Original Equipment Manufacturers ("OEMs") including: John Deere agricultural equipment; Peterbilt transportation equipment; and Clark, Sellick, Doosan, JLG and Baumann material handling equipment. The common shares of Cervus are listed on the Toronto Stock Exchange and trade under the symbol "CERV".

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 financial information should be read in conjunction with the audited annual consolidated financial statements prepared for the year ended December 31, 2019.

The Board of Directors authorized the issue of these unaudited condensed interim consolidated financial statements on November 3, 2020.

(b) Use of Judgements and Estimates

The preparation of interim financial statements requires management to make judgments, 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 judgments 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 audited annual consolidated financial statements as at and for the year ended December 31, 2019. The uncertainty of estimates and judgments increases in periods of high market volatility and rapid unprecedented change, which is currently occurring due to impacts of COVID-19 (see Note 14).

3. Significant Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements prepared for the year ended December 31, 2019.

CERVUS EQUIPMENT CORPORATION

Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine month periods ended September 30, 2020 and 2019

4. Seasonality

The Canadian, New Zealand and Australian retailing of agriculture, transportation, and industrial equipment is influenced by seasonality. Sales activity for the Agriculture 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 Transportation and Industrial segments 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)	September 30, 2020	December 31, 2019
New equipment	\$ 115,326	\$ 149,025
Used equipment	81,645	118,754
Parts and accessories	60,448	50,607
Work-in-progress	1,383	1,233
Total inventories	\$ 258,802	\$ 319,619

Included in costs of sales are amounts related to inventory impairments of \$1.3 million and \$3.0 million, for the three and nine month periods ended September 30, 2020 and 2019, respectively (2019 - \$9 million and \$14 million, respectively).

CERVUS EQUIPMENT CORPORATION

Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine month periods ended September 30, 2020 and 2019

6. Loans and Borrowings

Pre-Approved Credit Limits and Available Credit Facilities

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 September 30, 2020, are as follows:

(\$ thousands)	September 30, 2020				December 31, 2019			
	Total Limits	Borrowings	Letters of Credit	Amount Available	Total Limits	Borrowings	Letters of Credit	Amount Available
Operating and other bank credit facilities	122,203	-	9,600	112,603	122,735	25,788	9,600	87,347
Capital facilities	(a)	-				9,367		
Floor plan facilities and rental equipment term loan financing	(b)	111,092				182,283		
Total borrowing		111,092				217,438		
Total current portion long term debt		(2,840)				(9,795)		
Total inventory floor plan facilities		(104,884)				(173,992)		
Deferred debt issuance costs		(210)				(281)		
Total long term debt		3,158				33,370		

- (a) During the quarter, the Company repaid all amounts owing under its capital facilities, and there is no additional amount available under the facilities as at September 30, 2020. The additional amount available under the facilities was limited to the pre-approved credit limit of \$9.4 million as at December 31, 2019.

The Company has unencumbered assets available for financing which are estimated at \$16 million as at September 30, 2020 (December 31, 2019 - \$7 million).

- (b) For floorplan facilities, the additional amount available under the facilities is limited to the lesser of the pre-approved credit limit of \$456 million (December 31, 2019 - \$449 million) or the available unencumbered assets which are estimated at \$21 million as at September 30, 2020 (December 31, 2019 - \$17 million).

As at September 30, 2020, the Company is in compliance with all its covenants.

CERVUS EQUIPMENT CORPORATION

Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine month periods ended September 30, 2020 and 2019

7. 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, 2019	15,559	\$ 86,540
Issued under the DRIP plan	55	661
Issued under the deferred share plan	23	266
Repurchased under the NCIB	(310)	(3,941)
Balance at September 30, 2019	15,327	83,526
Issued under the DRIP plan	13	109
Issued under the deferred share plan	9	105
Repurchased under the NCIB	-	-
Balance at December 31, 2019	15,349	83,740
Issued under the DRIP plan	58	356
Issued under the deferred share plan	243	3,920
Repurchased under the NCIB	(290)	(2,134)
Balance at September 30, 2020	15,360	\$ 85,882

Normal Course Issuer Bid

On September 10, 2019, the Company announced a Normal Course Issuer Bid (the "September 2019 Bid"), which commenced on September 16, 2019, to purchase a maximum of 1,050 thousand shares (the "Shares") for cancellation before September 15, 2020. Cervus appointed Raymond James Ltd. as its broker, to conduct the Bid on behalf of the Company. All purchases were made in accordance with the September 2019 Bid at the prevailing market price of the Shares at the time of purchase. This normal course issuer bid expired on September 15, 2020. Prior to expiry, Cervus repurchased and cancelled 290 thousand shares at a weighted average price of \$7.35 per share.

On September 16, 2020, the Company announced a Normal Course Issuer Bid (the "September 2020 Bid"), which commenced on September 21, 2020, to purchase a maximum of 1,050 thousand common shares (the "Shares") for cancellation before September 20, 2021. Cervus appointed Raymond James Ltd. as its broker, to conduct the Bid on behalf of the Company. All purchases are to be made in accordance with the September 2020 Bid at the prevailing market price of the Shares at the time of purchase.

For the three and nine months ended September 30, 2020, the Company had repurchased and cancelled 290 thousand common shares at a weighted average price of \$7.35 per share under the September 2019 Bid, and no shares had been repurchased under the September 2020 Bid.

CERVUS EQUIPMENT CORPORATION

Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine month periods ended September 30, 2020 and 2019

8. Other Income

Other income for the three and nine month periods ended September 30, 2020 and 2019 is comprised of the following:

(\$ thousands)	Three month periods ended September 30		Nine month periods ended September	
	2020	2019	2020	2019
Net gain on sale of property and equipment	\$ 84	\$ 204	\$ 197	\$ 581
Unrealized foreign exchange gain (loss) ^(a)	667	(207)	(1,045)	1,016
Government wage subsidies ^(b)	5,050	-	5,868	-
Other income	695	769	1,900	1,664
Total other income	\$ 6,496	\$ 766	\$ 6,920	\$ 3,261

- (a) Unrealized foreign exchange gain (loss) is due to changes in fair value of our foreign exchange derivatives and from period close translation of accounts payable and floorplan payables denominated in U.S. dollars.
- (b) On April 11, 2020, the Government of Canada enacted The Canada Emergency Wage Subsidy ("CEWS"), which introduced a wage subsidy of up to 75% of eligible remuneration to qualifying entities, retroactive to March 15, 2020. On July 27, 2020, the Government of Canada enacted changes to the existing subsidy legislation which allowed employers using paymaster arrangements, such as Cervus, to qualify for the subsidy. Cervus' Transportation and Industrial segments each qualified for the CEWS in April, May and June 2020.

Included in other income for the three and nine months ended September 30, 2020, is \$5 million receivable from the Government of Canada for the Canada Emergency Wage Subsidy ("CEWS"). Also included in other income for the nine months ended September 30, 2020, is a \$0.8 million government wage subsidy received by Agriculture New Zealand related to the COVID-19 pandemic. Government grants are recognized at their fair value in other income when there is reasonable assurance that the grant will be received, and the Company will comply with all relevant conditions of the grant.

9. Finance Income and Finance Costs

(\$ thousands)	Three month periods ended September 30		Nine month periods ended September 30	
	2020	2019	2020	2019
Finance income	\$ 126	\$ 176	\$ 439	\$ 535
Interest expense on mortgage and term debt obligations	(304)	(687)	(1,019)	(1,866)
Interest expense on financial liabilities	(2,305)	(3,126)	(8,375)	(8,720)
Finance costs	\$ (2,609)	\$ (3,813)	\$ (9,394)	\$ (10,586)
Net finance costs recognized separately	(2,293)	(3,422)	(8,350)	(9,333)
Net finance costs recognized in cost of sales	(190)	(215)	(605)	(718)
Total net finance costs	\$ (2,483)	\$ (3,637)	\$ (8,955)	\$ (10,051)

CERVUS EQUIPMENT CORPORATION

Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine month periods ended September 30, 2020 and 2019

10. Earnings per Share

Per Share Amounts

Both basic and diluted earnings per share have been calculated using the net earnings of the Company as the numerator. No adjustments to net earnings were necessary for the three and nine month periods ended September 30, 2020 and 2019.

Weighted Average Number of Common Shares

The weighted average number of shares for the purposes of diluted earnings per share is as follows:

(\$ thousands)	Three month periods ended September 30		Nine month periods ended September 30	
	2020	2019	2020	2019
Issued common shares opening	15,645	15,321	15,349	15,559
Effect of shares issued under the DRIP plan	4	15	44	49
Effect of shares issued under the deferred share plan	-	-	193	22
Effect of shares repurchased from NCIB	(219)	(10)	(73)	(256)
Weighted average number of common shares	15,430	15,326	15,513	15,374

Weighted Average Number of Diluted Shares

The calculation of diluted earnings per share at September 30, 2020 and 2019 was based on the income attributable to common shareholders and the weighted average number of common shares outstanding. The weighted average number of common shares outstanding, after adjustment for effects of dilutive potential common shares, consists of the following:

(\$ thousands)	Three month periods ended September 30		Nine month periods ended September 30	
	2020	2019	2020	2019
Weighted average number of common shares (basic)	15,430	15,326	15,513	15,374
Effect of dilutive securities:				
Deferred share plan	579	-	579	-
Options	121	-	121	-
Weighted average number of shares (diluted)	16,130	15,326	16,213	15,374

11. Supplemental Cash Flow Information

(\$ thousands)	Nine month periods ended September 30	
	2020	2019
Changes in non-cash working capital:		
Inventory	57,564	(66,585)
Floorplan	(73,892)	47,855
Trade and other receivables	11,065	13,295
Trade and other liabilities	25,776	4,857
Total change in non-cash working capital	20,513	(578)

CERVUS EQUIPMENT CORPORATION

Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine month periods ended September 30, 2020 and 2019

12. Segment Information

The Company has four reportable segments: Agriculture, Transportation, Industrial and Corporate.

Corporate expenses consist of certain overheads and shared services provided to the divisions, along with public company costs, salaries, share-based compensation, office and administrative costs relating to corporate employees and officers, and interest cost on general corporate borrowings.

Financial information for each reportable segment is presented in the table below, which includes the disaggregation of revenues by type of service or good.

(\$ thousands)	Agriculture	Transportation	Industrial	Corporate	Total
Segmented income figures					
Three months ended September 30, 2020					
Revenue					
Equipment sales	\$ 203,819	\$ 52,147	\$ 3,905	\$ -	\$ 259,871
Parts	42,804	25,450	2,716	-	70,970
Service	12,491	6,583	2,262	-	21,336
Rentals and other	1,394	758	1,834	-	3,986
Total revenue	\$ 260,508	\$ 84,938	\$ 10,717	\$ -	\$ 356,163
Total other income	65	5,117	1,314	-	6,496
Depreciation and amortization	3,397	1,280	688	132	5,497
Finance income	19	-	-	107	126
Finance expense including amounts in costs of sales	(1,572)	(823)	(98)	(116)	(2,609)
Income (loss) for the period before income tax	11,694	6,936	2,032	(2,358)	18,304
Capital additions	1,924	80	22	441	2,467
Nine months ended September 30, 2020					
Revenue					
Equipment sales	\$ 534,049	\$ 155,409	\$ 12,796	\$ -	\$ 702,254
Parts	96,784	73,619	7,921	-	178,324
Service	34,139	20,911	6,682	-	61,732
Rentals and other	4,095	2,100	5,504	-	11,699
Total revenue	\$ 669,067	\$ 252,039	\$ 32,903	\$ -	\$ 954,009
Total other income	1,389	4,092	1,439	-	6,920
Depreciation and amortization	9,680	4,032	2,055	403	16,170
Finance income	85	-	-	354	439
Finance expense including amounts in costs of sales	(5,129)	(3,201)	(264)	(800)	(9,394)
Income (loss) for the period before income tax	23,913	6,568	2,238	(6,703)	26,016
Capital additions	3,111	391	87	1,387	4,976
Segmented assets and liabilities as at September 30, 2020					
Reportable segment assets	\$ 337,657	\$ 144,418	\$ 32,356	\$ 32,253	\$ 546,684
Intangible assets	22,614	9,546	5,310	-	37,470
Goodwill	19,892	2,546	667	-	23,105
Reportable segment liabilities	201,451	79,998	16,465	5,473	303,387

CERVUS EQUIPMENT CORPORATION

Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine month periods ended September 30, 2020 and 2019

12. Segment Information (continued)

(\$ thousands)	Agriculture	Transportation	Industrial	Corporate	Total
Segmented income figures					
Three months ended September 30, 2019					
Revenue					
Equipment sales	\$ 175,480	\$ 47,028	\$ 6,129	\$ -	\$ 228,637
Parts	34,000	24,446	2,751	-	61,197
Service	12,493	8,037	2,531	-	23,061
Rentals and other	1,058	979	2,150	-	4,187
Total revenue	\$ 223,031	\$ 80,490	\$ 13,561	\$ -	\$ 317,082
Total other income (loss)	595	(25)	196	-	766
Depreciation and amortization	3,940	1,785	886	113	6,724
Finance income	59	-	2	115	176
Finance expense including amounts in costs of sales	(2,237)	(893)	(86)	(597)	(3,813)
(Loss) income for the period before income tax	(1,246)	463	579	(2,104)	(2,308)
Capital additions	4,148	240	279	2,178	6,845
Nine months ended September 30, 2019					
Revenue					
Equipment sales	\$ 466,290	\$ 149,191	\$ 18,861	\$ -	\$ 634,342
Parts	80,791	76,051	8,895	-	165,737
Service	34,325	24,031	7,287	-	65,643
Rentals and other	3,697	3,057	7,009	-	13,763
Total revenue	\$ 585,103	\$ 252,330	\$ 42,052	\$ -	\$ 879,485
Total other income	1,037	1,486	598	140	3,261
Depreciation and amortization	10,315	4,951	2,552	339	18,157
Finance income	162	-	5	368	535
Finance expense including amounts in costs of sales	(5,928)	(2,783)	(274)	(1,601)	(10,586)
(Loss) income for the period before income tax	(1,790)	5,029	1,955	(6,833)	(1,639)
Capital additions	7,270	684	393	6,089	14,436
Segmented assets and liabilities as at September 30, 2019					
Reportable segment assets	\$ 423,370	\$ 175,968	\$ 27,609	\$ 30,103	\$ 657,050
Intangible assets	24,794	10,245	3,848	-	38,887
Goodwill	19,575	2,546	667	-	22,788
Reportable segment liabilities	256,170	109,231	12,581	46,326	424,308

The Company primarily operates in Canada, but includes subsidiaries in Australia (Cervus Australia Pty Ltd.) and in New Zealand (Cervus NZ Equipment Ltd.), which together operate 16 agriculture equipment dealerships. Gross revenues for the three and nine month periods ended September 30, 2020, for the New Zealand and Australian territories were \$52 million and \$153 million, respectively (2019 – \$43 million and \$132 million). Non-current assets for New Zealand and Australia as at September 30, 2020, were \$30 million (2019 – \$29 million). The Australia and New Zealand operations are included in the Agriculture Segment.

CERVUS EQUIPMENT CORPORATION

Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine month periods ended September 30, 2020 and 2019

13. Commitments and Contingencies

The Company is a defendant and plaintiff in various legal actions that arise in the normal course of business. The Company believes that any liabilities that might arise pertaining to such matters would not have a material effect on its consolidated financial position.

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 September 30, 2020, payments in arrears, or deferred by John Deere for COVID-19 relief, by such customers aggregated \$1.6 million (2019 - \$1.2 million).

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 September 30, 2020, the net residual value of such leases aggregated \$297 million (2019 - \$315 million). 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.

14. COVID-19 Impact

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Governments worldwide, including the countries where the Company operates, have enacted measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. In addition, global oil prices have declined due to a collapse in demand due to COVID-19. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions; however, the success of these interventions is not currently determinable. The factors may impact customer demand, cause disruptions to our operations and supply chains, result in increased government regulation, all of which may negatively impact the business, financial results and conditions of the Company.

The majority of the Company's operations are concentrated in the agricultural and distribution sectors of the economy, both of which are critical and essential components of the supply chain. Management has implemented business continuity plans and are committed to supporting our customers, while conducting business responsibly and in regulatory compliance to keep both our employees and customers safe.

The Company performs impairment tests on its goodwill at least annually and when events or changes in circumstances, such as the impact of COVID-19 on certain areas of our business, indicate that a test is required. At September 30, 2020, management concluded there were no impairment losses in relation to the Company's goodwill and intangible assets.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is unknown at this time. Estimates and judgements made by management in the preparation of these financial statements are subject to a higher degree of measurement uncertainty during this volatile period. Estimates at September 30, 2020 could change materially as the impact of the COVID-19 pandemic and its impact on the economy and the clients the Company serves continues to evolve.