Unaudited Condensed Interim Consolidated Financial Statements of

CERVUS EQUIPMENT CORPORATION

For the three month periods ended March 31, 2018 and 2017

CERVUS EQUIPMENT CORPORATION
Unaudited Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2018 and December 31, 2017

($ thousands)	Note	March 31, 2018	December 31, 2017
Assets			
Current assets			
Cash and cash equivalents		**$ 3,236**	$ 14,502
Trade and other accounts receivable		**60,165**	53,529
Inventories	6	**380,520**	290,524
Assets held for sale	7	**-**	26,280
Total current assets		**443,921**	384,835
Non-current assets			
Other long-term assets		**8,219**	8,423
Property and equipment		**61,108**	62,175
Intangible assets		**38,667**	39,742
Goodwill		**18,970**	18,880
Total non-current assets		**126,964**	129,220
Total assets		**$ 570,885**	$ 514,055
Liabilities			
Current liabilities			
Trade and other liabilities		**$ 83,883**	$ 87,317
Floor plan payables	8	**204,605**	125,573
Current portion of term debt	8	**10,485**	11,122
Liabilities directly associated with assets held for sale	7	**-**	12,250
Total current liabilities		**298,973**	236,262
Non-current liabilities			
Term debt	8	**27,354**	32,170
Finance lease obligation		**9,800**	10,416
Deferred income tax liability	9	**9,151**	9,954
Total non-current liabilities		**46,305**	52,540
Total liabilities		**345,278**	288,802
Equity			
Shareholders' capital	10	**88,442**	88,163
Deferred share plan		**8,432**	7,455
Other reserves		**5,195**	5,195
Accumulated other comprehensive income		**1,004**	191
Retained earnings		**122,534**	124,249
Total equity		**225,607**	225,253
Total liabilities and equity		**$ 570,885**	$ 514,055

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

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

CERVUS EQUIPMENT CORPORATION
Unaudited Condensed Interim Consolidated Statements of Comprehensive (Loss)
For the three month periods ended March 31, 2018 and 2017

		Three month periods ended March 31	
($ thousands)	**Note**	**2018**	**2017**
Revenue			
Equipment sales		**$ 178,725**	$ 158,652
Parts		**45,756**	49,153
Service		**20,460**	19,241
Rentals		**3,765**	4,064
Total revenue		**248,706**	231,110
Cost of sales		**(206,913)**	(190,723)
Gross profit		**41,793**	40,387
Other income	11	**603**	729
Selling, general and administrative expense		**(41,687)**	(41,177)
Income (loss) from operating activities		**709**	(61)
Net finance costs	12	**(1,207)**	(1,555)
(Loss) before income tax expense		**(498)**	(1,616)
Income tax recovery (expense)	9	**353**	(17)
(Loss) for the period		**(145)**	(1,633)
Other comprehensive income (loss):			
Foreign currency translation differences for foreign operations, net of tax		**813**	(163)
Total comprehensive income (loss) for the period		**668**	(1,796)
(Loss) attributable to:			
Shareholders of the Company		**(145)**	(1,628)
Non-controlling interest		**-**	(5)
(Loss) for the period		**(145)**	(1,633)
Total comprehensive income (loss) attributable to:			
Shareholders of the Company		**668**	(1,791)
Non-controlling interest		**-**	(5)
Total comprehensive income (loss) for the period		**$ 668**	$ (1,796)
Net (loss) per share attributable to shareholders of the Company:			
Basic	13	**$** (0.01)	$ (0.10)
Diluted	13	**$** (0.01)	$ (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 three month periods ended March 31, 2018 and 2017

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, 2016		**$ 89,863**	**$ 7,520**	**$ 5,195**	**$ 1,219**	**$ 108,731**	**$ 212,528**	**$ 1,311**	**$ 213,839**
Comprehensive (loss) for the period									
(Loss)		-	-	-	-	(1,628)	(1,628)	(5)	(1,633)
Other comprehensive (loss)									
Foreign currency translation adjustments, net of tax		-	-	-	(163)	-	(163)	-	(163)
Total comprehensive (loss) for the period		-	-	-	(163)	(1,628)	(1,791)	(5)	(1,796)
Transactions with owners, recorded directly in equity									
Dividends to equity holders		-	-	-	-	(1,104)	(1,104)	-	(1,104)
Shares issued through DRIP		195	-	-	-	-	195	-	195
Shares issued through deferred share plan		83	(83)	-	-	-	-	-	-
Share-based payment transactions		-	1,015		-	-	1,015	-	1,015
Transactions with owners		278	932	-	-	(1,104)	106	-	106
Balance March 31, 2017		**$ 90,141**	**$ 8,452**	**$ 5,195**	**$ 1,056**	**$ 105,999**	**$ 210,843**	**$ 1,306**	**$ 212,149**
Balance December 31, 2017		**$ 88,163**	**$ 7,455**	**$ 5,195**	**$ 191**	**$ 124,249**	**$ 225,253**	**$ -**	**$ 225,253**
Comprehensive income for the period									
(Loss)		-	-	-	-	(145)	(145)	-	(145)
Other comprehensive income									
Foreign currency translation adjustments, net of tax		-	-	-	813	-	813	-	813
Total comprehensive income for the period		-	-	-	813	(145)	668	-	668
Transactions with owners, recorded directly in equity									
Dividends to equity holders	10	-	-	-	-	(1,570)	(1,570)	-	(1,570)
Shares issued through DRIP	10	162	-	-	-	-	162	-	162
Shares issued through deferred share plan	10	117	(117)	-	-	-	-	-	-
Share-based payment transactions		-	1,094	-	-	-	1,094	-	1,094
Transactions with owners		279	977	-	-	(1,570)	(314)	-	(314)
Balance March 31, 2018		**$ 88,442**	**$ 8,432**	**$ 5,195**	**$ 1,004**	**$ 122,534**	**$ 225,607**	**$ -**	**$ 225,607**

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statement of Cash Flows

For the three month periods ended March 31, 2018 and 2017

		Three month periods ended March 31	
($ thousands)	Note	2018	2017
Loss for the period		**$ (145)**	$ (1,633)
Adjustments for:			
Income tax (recovery) expense	9	**(353)**	17
Depreciation		**2,735**	2,332
Amortization of intangibles		**1,211**	1,279
Equity-settled share-based payment transactions		**1,094**	1,015
Net finance costs	12	**1,552**	1,958
Unrealized foreign exchange loss (gain)	11	**635**	(190)
Non-cash write-down (recovery) of inventories	6	**2,243**	(209)
(Gain) on sale of property and equipment	11	**(222)**	(68)
(Gain) on sale of Commercial operations	7	**(480)**	-
Distributions from equity investments		**6**	-
Change in non-cash working capital	14	**(19,168)**	(682)
Cash (used in) generated from operating activities		**(10,892)**	3,819
Cash taxes paid		**(4,135)**	(3,165)
Interest paid		**(1,692)**	(1,633)
Net cash used in operating activities		**(16,719)**	(979)
Cash flows from investing activities			
Interest received		**136**	94
Purchase of property and equipment		**(1,625)**	(1,370)
Payments for intangible assets		**(92)**	(66)
Proceeds from disposal of property and equipment		**410**	709
Proceeds from sale of Commercial operations	7	**14,218**	-
Net cash provided from/ (used in) investing activities		**13,047**	(633)
Cash flows from financing activities			
Net (repayments) of term debt		**(5,726)**	(7,405)
Dividends paid		**(936)**	(907)
Payment of finance lease liabilities		**(1,262)**	(842)
Receipt of deposits with manufacturers		**104**	641
Net cash used in financing activities		**(7,820)**	(8,513)
Net decrease in cash and cash equivalents		**(11,492)**	(10,125)
Effect of foreign currency translation on cash		**226**	291
Cash and cash equivalents, beginning of period		**14,502**	14,542
Cash and cash equivalents, end of period		**$ 3,236**	$ 4,708

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 March 31, 2018 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, and industrial equipment. The Company also provides equipment rental, primarily in the transportation and industrial equipment segments. The Company wholly owns and operates 62 dealerships in Canada, New Zealand, and Australia. The primary equipment brands represented by Cervus include John Deere agricultural equipment; Peterbilt transportation equipment; and Clark, Sellick and Doosan 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 consolidated financial information should be read in conjunction with the audited annual consolidated financial statements prepared for the year ended December 31, 2017.

This is the first set of the Company's financial statements where IFRS 15 and IFRS 9 have been applied. Changes to the significant accounting policies are described in Note 3.

The Board of Directors authorized the issue of these unaudited condensed interim consolidated financial statements on May 8, 2018.

(b) Use of Judgments 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, 2017.

3. Changes in Significant Accounting Policies

Except as described below, the accounting policies applied are consistent with those of the audited annual consolidated financial statements prepared for the year ended December 31, 2017. The following changes in accounting policies are also expected to be reflected in the Company's annual financial statements as at and for the year ending December 31, 2018.

(a) Business Segments

On February 26, 2018, the Company announced it had entered into a definitive agreement to sell its Commercial operations, composed of four dealership locations in Calgary, Red Deer, Edmonton and Fort McMurray, Alberta. The dealerships represent the construction brands Bobcat, CMI and JCB. The sale of the Company's Commercial operations closed on March 16, 2018. The Company continues to report under three operating segments: Agriculture, Transportation, and Industrial.

(b) IFRS 15 Revenue from Contracts with Customers

The Company adopted IFRS 15 Revenue from Contracts with Customers effective January 1, 2018. 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 Company has adopted IFRS 15 using the cumulative effective method (without practical expedients), with the effect of initially applying this standard recognized at the date of initial application (i.e. January 1, 2018). Accordingly, the information presented for 2017 has not been restated.

The application of IFRS 15 has not had any significant impact on the recognition of revenue in 2018.

Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control, whether at a point in time or over time, requires judgment.

3. Changes in Significant Accounting Policies (continued)

(b) IFRS 15 Revenue from Contracts with Customers (continued)

Type of product/ service	Nature, timing and satisfaction of performance obligations, significant payment terms
Equipment Revenue	Revenue is recognized when the customer obtains control of the equipment product. Revenue is not recognized before there are indicators that control has passed, including the customer having: a present obligation to pay, physical possession or legal title, risks and rewards of ownership and accepted the asset. The Company considers a customer has accepted the asset and risks and rewards of ownership when delivery has occurred, required deposits have been received, and a formal contract is signed. For bill-and-hold arrangements, revenue is recognized before delivery when the customer obtains control of the equipment, and Cervus has received payment. Control is transferred to the customer when the reason for the bill-and-hold arrangement is substantive, the Company cannot sell the equipment to another customer, the equipment can be identified separately and is ready for physical transfer to the customer. Invoices are usually payable when financing has been agreed upon along with the signed bill of sale, or within 30 days from the invoice date.
Parts Revenue	Parts revenue is recognized when the customer receives the part. Payment is due upon receipt of the invoice, or net 30 days from the invoice date for the Industrial segment.
Service Revenue	Service revenue is recognized upon completion of the service work. Payment is due upon receipt of the invoice, or net 30 days from the invoice date for the Industrial segment.
Rentals and Operating Lease Revenue	Rentals and operating lease revenue are recorded at the time the service is provided, recognized evenly over the term of the rental or lease agreement with the customer. Payment is due when the rental contract is signed at the beginning of each month, and within 30 days for the Industrial segment.

3. Changes in Significant Accounting Policies (continued)

(c) IFRS 9 Financial Instruments

The Company adopted IFRS 9 Financial Instruments effective January 1, 2018. IFRS 9 relates 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 adoption of IFRS 9 has not had a significant impact on the amounts reported in the financial statements.

i. Classification and Measurement of Financial Assets and Financial Liabilities

A financial asset is classified and is measured at: amortised cost; fair value through other comprehensive income (OCI); or fair value through profit or loss. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Except for trade receivables without a significant financing component that are initially measured at the transaction price, a financial asset is initially measured at:

- Fair value; or
- Fair value, plus transaction costs that are directly attributable to its acquisition, for items not at fair value through profit or loss.

Subsequent measurement of financial assets is described below.

Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at fair value through OCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at fair value through OCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. Changes in Significant Accounting Policies (continued)

(c) IFRS 9 Financial Instruments (continued)

i. Classification and Measurement of Financial Assets and Financial Liabilities (continued)

For the Company, the effect of adopting IFRS 9 on the carrying amounts of financial assets at January 1, 2018 relates solely to the new impairment requirements, as described further below.

The following table and the accompanying notes explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and liabilities as at January 1, 2018. There are no changes in the carrying amounts under IAS 39 and IFRS 9.

($ thousands)	Original Classification Under IAS 39	New Classification Under IFRS 9
Financial Assets		
Cash and cash equivalents	Loans and receivable	Amortised cost
Trade and other accounts receivable	Loans and receivable	Amortised cost
Derivative financial instruments	Held-for-trading	Fair value through profit and loss
Other investments	Available for sale	Fair value through profit and loss
Other long-term assets	Loans and receivable	Amortised cost
Finance lease receivables	Loans and receivable	Amortised cost
Financial Liabilities		
Trade and other liabilities	Other liabilities	Other liabilities
Floor plan payables	Other liabilities	Other liabilities
Term debt	Other liabilities	Other liabilities
Derivative financial liability	Held-for-trading	Held-for-trading
Finance lease obligation	Other liabilities	Other liabilities

ii. Impairment of Financial Assets

Under IFRS 9, loss allowances are measured on either of the following bases:

a) *12-month expected credit losses:* These are expected credit losses that could result from possible default events within the 12 months after the reporting date; and

b) *Lifetime expected credit losses:* These are expected credit losses that could result from all possible default events over the expected life of a financial instrument.

4. Standards Issued But Not Yet Effective

Certain new or amended standards or interpretations have been issued by the IASB or IFRIC that are required to be adopted in the future periods. The new standards and amendments to existing standards which have not been applied in preparing these unaudited condensed interim consolidated financial statements are:

Revised Standard	Description	Impact of Application	Effective Date
IFRS 16 - Leases	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. IFRS 16 will replace IAS 17 Leases. The new standard requires that for most leases, lessees must initially recognize a lease liability for the obligation to make lease payments and a corresponding right-of-use asset for the right to use the underlying asset for the lease term. There is minimal impact for lessor accounting.	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 Company's 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.	Annual periods beginning on or after January 1, 2019.

5. 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 Transportation and Industrial equipment 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.

6. Inventories

($ thousands)	March 31, 2018	December 31, 2017
New equipment	**$ 180,454**	$ 116,016
Used equipment	**150,164**	128,188
Parts and accessories	**48,619**	45,188
Work-in-progress	**1,283**	1,132
Total inventories	**$ 380,520**	$ 290,524

Included in costs of sales are amounts related to inventory write-downs or recoveries, during the three month periods ended March 31, 2018 and 2017 of $2,243 thousand expense and $209 thousand recovery, respectively.

7. Disposal Group Held for Sale

At December 31, 2017, the Company had entered into a definitive agreement to sell its four construction dealerships within the Commercial and Industrial segment, along with the land and building of one dealership location. The Commercial disposal group was classified as held for sale and stated at carrying value at December 31, 2017.

The sale of the Commercial group closed on March 16, 2018, with gross proceeds of $14,218 thousand resulting in a gain on sale of $480 thousand. Subsequent to quarter end, there may be customary post-closing adjustments, which may impact the gain recognized.

The Company reclassified $2,883 thousand of inventory, originally included in assets held for sale at December 31, 2017, to inventory at March 31, 2018, as a result of an amending agreement where certain inventories were retained by the Company.

8. 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 March 31, 2018 are as follows:

	March 31, 2018				December 31, 2017			
($ thousands)	Total Limits	Borrowings	Letters of Credit	Amount Available	Total Limits	Borrowings	Letters of Credit	Amount Available
Operating and other bank credit facilities	**101,994**	**20,088**	**2,400**	**79,506**	101,925	25,589	2,400	73,936
Capital facilities [(a)]		**10,471**				12,082		
Floor plan facilities and rental equipment term loan financing [(b)]		**212,228**				133,119		
Total borrowing		**242,787**				170,790		
Total current portion long term debt		**(10,485)**				(11,122)		
Total inventory floor plan facilities		**(204,605)**				(125,573)		
Term debt held for sale (Note 7)		**-**				(1,530)		
Deferred debt issuance costs		**(343)**				(395)		
Total long term debt		**27,354**				32,170		

(a) For capital facilities, the amount available under the facilities is limited to the lesser of the pre-approved credit limit of $55.8 million (December 31, 2017-$55.8 million) or the available unencumbered assets which is estimated at $2.7 million as at March 31, 2018 (December 31, 2017- $1.5 million).

(b) For floorplan facilities, the amount available under the facilities is limited to the lesser of the pre-approved credit limit of $429.6 million (December 31, 2017-$453.0 million) or the available unencumbered assets which is estimated at $36.4 million as at March 31, 2018 (December 31, 2017- $28.9 million).

As at March 31, 2018 the Company is in compliance with all of its covenants.

9. Income Taxes

Tax (Recovery) Expense

	Three month periods ended March 31	
($ thousands)	**2018**	**2017**
Current income tax expense (recovery)	**$ 452**	$ (17)
Deferred income tax (recovery) expense	**(805)**	34
Income tax (recovery) expense	**$ (353)**	$ 17

10. 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, 2017	15,750	$ 89,863
Issued under the DRIP plan	13	195
Issued under the deferred share plan	3	83
Balance at March 31, 2017	15,766	$ 90,141
Issued under the DRIP plan	49	583
Issued under the deferred share plan	100	674
Repurchased under the NCIB	(240)	(3,235)
Balance at December 31, 2017	15,675	88,163
Issued under the DRIP plan	**11**	**162**
Issued under the deferred share plan	**13**	**117**
Balance at March 31, 2018	**15,699**	**$ 88,442**

Normal Course Issuer Bid

On August 21, 2017, the Company announced a Normal Course Issuer Bid (the “Bid”), which commenced on August 23, 2017, to purchase up to a maximum of 805,659 common shares (the “Shares”) for cancellation before August 22, 2018. Cervus has appointed Raymond James Ltd. as its broker, who will conduct the Bid on behalf of the Company. All purchases are made in accordance with the Bid at the prevailing market price of the Shares at the time of purchase. There were no common shares repurchased during the three months ended March 31, 2018 and 2017.

11. Other Income

Other income for the three month periods ended March 31, 2018 and 2017 is comprised of the following:

	Three month periods ended March 31	
($ thousands)	**2018**	**2017**
Net gain on sale of property and equipment	**$ 222**	$ 68
Gain on sale of Commercial operations	**480**	-
Unrealized foreign exchange (loss) gain [a]	**(635)**	190
Other income	**536**	471
Total other income	**$ 603**	$ 729

(a) Unrealized foreign exchange gain (loss) is due to period close translation of accounts payable and floorplan payables denominated in U.S. dollars, and changes in fair value of our foreign exchange derivative.

12. Finance Income and Finance Costs

	Three month periods ended March 31	
($ thousands)	**2018**	**2017**
Finance income	**$ 136**	$ 94
Interest expense on convertible debenture	**-**	(771)
Interest expense on mortgage and term debt obligations	**(374)**	(230)
Interest expense on financial liabilities	**(1,314)**	(1,051)
Finance costs	**$ (1,688)**	$ (2,052)
Net finance costs recognized separately	**(1,207)**	(1,555)
Net finance costs recognized in cost of sales	**(345)**	(403)
Total net finance costs	**$ (1,552)**	$ (1,958)

13. Earnings per Share

Per Share Amounts

Both basic and diluted loss per share have been calculated using the net loss attributable to the shareholders of the Company as the numerator. No adjustments to net loss were necessary for the three month periods ended March 31, 2018 and 2017.

Weighted Average Number of Common Shares

The weighted average number of shares for the purposes of diluted loss per share can be reconciled to the weighted average number of basic shares as follows:

	Three month periods ended March 31	
($ thousands)	**2018**	**2017**
Issued common shares opening	**15,675**	15,750
Effect of shares issued under the DRIP plan	**9**	11
Effect of shares issued under the deferred share plan	**2**	1
Weighted average number of common shares	**15,686**	15,762

Weighted Average Number of Diluted Shares

The calculation of diluted loss per share at March 31, 2018 and 2017 was based on the loss attributable to common shareholders and the weighted average number of common shares outstanding. All deferred share units of 809 thousand for the period ended March 31, 2018 (2017 – 852 thousand) have been excluded, as they are considered anti-dilutive.

14. Supplemental Cash Flow Information

	Three month periods ended March 31	
($ thousands)	**2018**	**2017**
Changes in non-cash working capital:		
Inventory	**(90,783)**	(38,030)
Floorplan	**78,030**	37,432
Trade and other receivables	**(5,130)**	6,245
Trade and other liabilities	**(1,285)**	(6,329)
Total change in non-cash working capital	**(19,168)**	(682)

The change in non-cash working capital takes into consideration the assets and liabilities held for sale at December 31, 2017. Refer to Note 7 of the audited annual consolidated financial statements prepared for the year ended December 31, 2017 for the assets and liabilities held for sale, related to the sale of the Commercial disposal group.

15. Segment Information

The Company operates under three segments: Agriculture, Transportation, and Industrial. 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 services office. Certain shared corporate office expenses are allocated to the business segments under either specific identification approach or a usage based metric. The corporate office also incurs certain costs which are considered as public company costs, and are allocated to the segments based on the gross margin of the respective Canadian operations. Total corporate related expenditures, excluding income taxes, that have been allocated for the three month periods ended March 31, 2018 are $582 thousand (2017 - $1,364 thousand).

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

($ thousands)	Agricultural Equipment	Transportation Equipment	Industrial Equipment	Total
Segmented income figures				
Three months ended March 31, 2018				
Revenue				
Equipment sales	$ 132,107	$ 38,609	$ 8,009	**$ 178,725**
Parts	17,263	23,096	5,397	**45,756**
Service	8,747	8,079	3,634	**20,460**
Rentals	1,143	1,547	1,075	**3,765**
Total revenue	$ 159,260	$ 71,331	$ 18,115	$ **248,706**
Depreciation and amortization	1,782	1,682	482	**3,946**
Finance income	78	45	13	**136**
Finance expense including amounts in costs of sales	(728)	(896)	(64)	**(1,688)**
(Loss) income for the period before income tax	(1,430)	(441)	1,373	**(498)**
Capital additions, including finance leases	1,242	46	337	**1,625**
Segmented assets and liabilities as at March 31, 2018				
Reportable segment assets	$ 345,571	$ 184,726	$ 40,588	**$ 570,885**
Intangible assets	22,896	11,549	4,222	**38,667**
Goodwill	15,757	2,546	667	**18,970**
Reportable segment liabilities	198,930	131,495	14,853	**345,278**

15. Segment Information (continued)

($ thousands)	Agricultural Equipment	Transportation Equipment	Industrial Equipment	Total
Segmented income figures				
Three months ended March 31, 2017				
Revenue				
Equipment sales	$ 116,595	$ 31,178	$ 10,879	158,652
Parts	19,401	23,893	5,859	49,153
Service	8,970	7,325	2,946	19,241
Rentals	1,213	2,009	842	4,064
Total revenue	$ 146,179	$ 64,405	$ 20,526	$ 231,110
Depreciation and amortization	1,686	1,259	666	3,611
Finance income	36	38	20	94
Finance expense including amounts in costs of sales	(946)	(879)	(227)	(2,052)
(Loss) income for the period before income tax	(948)	(1,268)	600	(1,616)
Capital additions, including finance leases	946	1,264	118	2,328
Segmented assets and liabilities as at March 31, 2017				
Reportable segment assets	$ 298,910	$ 142,791	$ 54,497	$ 496,198
Intangible assets	25,523	13,073	6,706	45,302
Goodwill	15,795	2,547	2,193	20,535
Reportable segment liabilities	165,690	92,043	26,316	284,049

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 15 agricultural equipment dealerships. Gross revenues for the three-month periods ended March 31, 2018 for the New Zealand and Australian territories were $43,516 thousand (2017 – $31,627 thousand). Non-current assets for New Zealand and Australia as at March 31, 2018 were $21,151 thousand (2017- $25,890 thousand). The Australia and New Zealand operations are included in the Agricultural Segment.

16. 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 March 31, 2018 payments in arrears by such customers aggregated $542 thousand (2017 - $495 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 March 31, 2018, the net residual value of such leases aggregated $269,572 thousand (2017- $239,488 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.

17. Subsequent Event

Subsequent to March 31, 2018 and prior to May 8, 2018, the Company repurchased 51 thousand common shares under the Normal Course Issuer Bid, with a weighted average price per share of $13.49.