

Condensed Consolidated Interim Financial Statements of

Vertex Resource Group Ltd.

September 30, 2020
(Unaudited)

Notice to Reader: As required by National Instrument 51-102, Part 4, subsection 4.3(3)(a), readers are advised that the Company's independent auditors have not performed a review of these condensed consolidated interim financial statements.

Vertex Resource Group Ltd.

September 30, 2020

Table of contents

Condensed consolidated interim statements of financial position	1
Condensed consolidated interim statements of net loss and comprehensive loss	2
Condensed consolidated interim statements of changes in shareholders' equity.....	3
Condensed consolidated interim statements of cash flows	4
Notes to the condensed consolidated interim financial statements	5-16

Vertex Resource Group Ltd.

Condensed consolidated interim statements of financial position

(in thousands of Canadian dollars)

(unaudited)

As at	Notes	September 30, 2020	December 31, 2019
Assets			
Current assets			
Cash and cash equivalents		-	414
Accounts receivable		26,679	32,819
Contract assets		453	1,910
Inventories		3,148	2,908
Prepaid expenses and deposits		3,545	2,315
		33,825	40,366
Property and equipment	4	64,898	73,658
Right of use assets	5	20,668	23,074
Intangible assets	6	626	1,569
Goodwill	7	24,826	28,126
Deferred income taxes		5,125	5,125
		149,968	171,918
Liabilities			
Current liabilities			
Bank indebtedness		476	-
Accounts payable and accrued liabilities		13,809	15,927
Contract liabilities		248	75
Income taxes payable		-	185
Current portion of loans and borrowings	8	12,871	10,413
Current portion of other liabilities	9	575	1,955
Current portion of lease liabilities	5	5,391	5,187
		33,370	33,742
Loans and borrowings	8	47,836	60,603
Other liabilities	9	725	975
Lease liabilities	5	15,724	19,130
Deferred income taxes		3,465	3,915
		101,120	118,365
Shareholders' Equity			
Common shares		81,071	83,231
Deficit		(35,791)	(30,952)
Contributed surplus		3,568	1,274
		48,848	53,553
		149,968	171,918

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

Vertex Resource Group Ltd.

Condensed consolidated interim statements of net loss and comprehensive loss

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

(unaudited)

	Notes	Three months ended		Nine Months ended	
		September 30,		September 30,	
		2020	2019	2020	2019
Revenue		32,067	43,655	98,794	127,406
Direct costs	13	22,509	33,483	70,996	97,171
Gross profit ⁽¹⁾		9,558	10,172	27,798	30,235
General and administrative expenses	13	2,736	3,697	8,951	12,401
Share-based compensation		46	32	134	142
Depreciation and amortization	4,5,6	3,243	5,608	14,094	16,638
Finance costs	12	1,480	1,544	4,566	4,370
Impairment	6,7	-	-	3,665	-
Restructuring costs		189	-	1,772	-
Income (loss) before income taxes		1,864	(709)	(5,384)	(3,316)
Income tax expense (recovery)		393	(186)	(545)	(901)
Net income (loss) and comprehensive income (loss) for the period	14	1,471	(523)	(4,839)	(2,415)
Net income (loss) per share					
Basic and diluted	14	0.02	(0.01)	(0.05)	(0.03)

(1) Direct costs do not include depreciation.

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

Vertex Resource Group Ltd.

Condensed consolidated interim statements of changes in shareholders' equity

(in thousands of Canadian dollars)

(unaudited)

	Notes	Nine Months ended September 30,	
		2020	2019
Common Shares			
Balance, beginning of the period		83,231	83,231
Share cancellation	10	(2,160)	-
Balance, end of the period		81,071	83,231
Contributed Surplus			
Balance, beginning of the period		1,274	1,086
Share cancellation	10	2,160	-
Share-based compensation		134	142
Balance, end of the period		3,568	1,228
Deficit			
Balance, beginning of the period		(30,952)	(18,622)
Adoption of IFRS 16 - Leases		-	(1,016)
Balance, beginning of the period as adjusted		(30,952)	(19,638)
Net loss and comprehensive loss		(4,839)	(2,415)
Balance, end of the period		(35,791)	(22,053)
Total shareholders' equity		48,848	62,406

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

Vertex Resource Group Ltd.

Condensed consolidated interim statements of cash flows

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

(unaudited)

		Three months ended		Nine Months ended	
	Notes	September 30,		September 30,	
		2020	2019	2020	2019
Operating activities					
Net income (loss)		1,471	(523)	(4,839)	(2,415)
Items not affecting cash					
Depreciation and amortization	4,5	3,243	5,607	14,094	16,638
Impairment	6,7	-	-	3,665	-
Share-based compensation		46	32	134	142
Deferred financing charges		64	32	139	96
Gain on disposal of property and equipment		(46)	(65)	(625)	(490)
Deferred income taxes		393	(244)	(451)	(1,056)
		5,171	4,839	12,117	12,915
Changes in non-cash operating working capital items	16	2,775	1,845	3,998	3,954
Cash provided by operating activities		7,946	6,684	16,115	16,869
Investing activities					
Purchase of property and equipment		(712)	(1,605)	(2,053)	(4,532)
Additions to intangible assets		-	(506)	-	(506)
Proceeds from disposal of property and equipment		172	197	1,073	1,343
Cash used in investing activities		(540)	(1,914)	(980)	(3,695)
Financing activities					
Repayment of revolving loan	8	(6,600)	(5,000)	(12,500)	(7,600)
Principal payments of lease liabilities	5	(1,361)	(2,058)	(3,947)	(4,956)
Repayment of term loan	8	(1,105)	(1,523)	(2,628)	(4,648)
Principal payments of other liabilities	9	(225)	(509)	(1,630)	(2,066)
Repayment of equipment loans	8	(488)	(497)	(1,414)	(1,435)
Proceeds from co-lend term loan	8	-	-	6,250	-
Proceeds from equipment loan		-	-	32	1,564
Proceeds from term loan		-	5,000	-	5,000
Financing charges - deferred	8	(8)	-	(188)	-
Cash used in financing activities		(9,787)	(4,587)	(16,025)	(14,141)
(Decrease) increase in cash and cash equivalents		(2,381)	183	(890)	(967)
Cash and cash equivalents, beginning of period		1,905	1,197	414	2,347
(Bank indebtedness) cash and cash equivalents, end of period		(476)	1,380	(476)	1,380

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

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

1. Description of business

Vertex Resource Group Ltd. (“the Company”) is a publicly listed company on the TSX Venture Exchange (“TSXV”) trading under the symbol VTX. The Company provides environmental consulting and support services to a diverse clientele across Western Canada and in select locations in the United States.

In Canada, the level of activity is influenced by seasonal weather patterns as well as trends in the industries in which customers operate. The Company is typically the busiest during the third and fourth quarters with lower activity levels in the first and second quarters. In particular, during the second quarter, commonly referred to as the “spring break-up”, the frost leaves the ground making certain roads incapable of supporting the weight of heavy equipment resulting in restrictions in the level of industrial and energy service activity across western Canada.

2. Basis of preparation

a) *Statement of compliance*

The Company prepares its annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Certain information has been reclassified to conform with the financial statement presentation adopted in the current year.

The condensed consolidated interim financial statements were approved by the Board of Directors (the “Directors”) on November 12, 2020. These condensed consolidated interim financial statements should be read in conjunction with the Company’s most recent annual financial statements as the accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those disclosed therein.

b) *Significant accounting policies*

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as the annual audited consolidated financial statements of the Company for the year ended December 31, 2019, with the exception of the addition of a policy related to IAS 20 – Government Assistance.

(i) *Government assistance*

Government assistance is recognized when there is reasonable assurance that the assistance will be received and that the Company will comply with all relevant conditions. Government assistance related to current expenses is recorded as a reduction of the related expenses.

3. Recent developments and impact on estimation uncertainty

In March 2020, the World Health Organization declared a global pandemic following the emergence and rapid spread of a novel strain of the coronavirus (“COVID-19”). COVID-19 has had a pervasive adverse impact on the Canadian economy, the global economy, supply chains, the energy industry, the demand for oil, and the price of oil. The duration and extent of impact of COVID-19 is not known. Governments and central banks have introduced significant monetary and fiscal initiatives to mitigate these effects. However, the eventual efficacy of such measures is not known. The expected negative impacts to the Company’s revenues and results of operations may be material; however, the eventual impacts are not quantifiable. The

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

outbreak presents uncertainty and risk with respect to the Company, its performance, and estimates and assumptions used by Management in the preparation of its financial results.

A list of the key sources of estimation uncertainty can be found in the Company's annual financial statements for the year ended December 31, 2019. The outbreak and current market conditions have increased the complexity of estimates and assumptions used to prepare the condensed consolidated interim financial statements, particularly related to the following key sources of estimation uncertainty:

Recoverable amounts

Determining the recoverable amount of a cash-generating unit ("CGU") or an individual asset requires the use of estimates and assumptions, which are subject to change as new information becomes available. The severe drop in commodity prices, due to reasons noted above, have increased the risk of measurement uncertainty in determining the recoverable amounts.

4. Property and equipment

	Land, buildings, and improvements	Machinery and equipment	Office furniture and equipment	Rolling stock	Total
Cost					
As at December 31, 2019	12,468	65,029	4,985	53,077	135,559
Additions	22	321	157	1,553	2,053
Transfer from right of use assets (Note 5)	-	-	-	51	51
Disposals	(127)	(5,956)	(216)	(3,639)	(9,938)
As at September 30, 2020	12,363	59,394	4,926	51,042	127,725
Accumulated depreciation					
As at December 31, 2019	6,709	38,477	2,387	14,328	61,901
Depreciation	480	3,661	557	5,685	10,383
Transfer from right of use assets (Note 5)	-	-	-	32	32
Disposals	(127)	(5,894)	(213)	(3,255)	(9,489)
As at September 30, 2020	7,062	36,244	2,731	16,790	62,827
Carrying value					
As at December 31, 2019	5,759	26,552	2,598	38,749	73,658
As at September 30, 2020	5,301	23,150	2,195	34,252	64,898

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

5. Right of use assets and lease liabilities

a) Right of Use Assets

The Company's significant lease arrangements include contracts for leasing office, shop and yard premises, and operating equipment. All leases involve right of use assets that are unsecured unless otherwise indicated.

	Real Property	Operating Equipment	Total
Cost			
As at December 31, 2019	17,969	10,302	28,271
Additions	198	917	1,115
Transfer to property and equipment (Note 4)	-	(51)	(51)
Disposals	(98)	(394)	(492)
As at September 30, 2020	18,069	10,774	28,843
Accumulated depreciation			
As at December 31, 2019	4,007	1,190	5,197
Depreciation	2,378	771	3,149
Transfer to property and equipment (Note 4)	-	(32)	(32)
Disposals	(53)	(86)	(139)
As at September 30, 2020	6,332	1,843	8,175
Carrying value			
As at December 31, 2019	13,962	9,112	23,074
As at September 30, 2020	11,737	8,931	20,668

b) Lease Liabilities Continuity

	Real Property	Operating Equipment	Total
As at December 31, 2019	16,487	7,830	24,317
Additions	198	917	1,115
Interest accretion during the period	779	196	975
Payments	(3,459)	(1,463)	(4,922)
Disposals	(46)	(324)	(370)
As at September 30, 2020	13,959	7,156	21,115

Presented as:

Current portion of lease liabilities	5,391
Lease liabilities	15,724
	21,115

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

6. Intangible assets

	Customer relationships	Intellectual Property	Non-compete agreements	Development Costs	Total
Cost					
As at September 30, 2020	1,690	800	835	801	4,126
Accumulated amortization					
As at December 31, 2019	1,265	667	571	54	2,557
Amortization	225	133	99	121	578
Impairment	200	-	165	-	365
As at September 30, 2020	1,690	800	835	175	3,500
Carrying value					
As at December 31, 2019	425	133	264	747	1,569
As at September 30, 2020	-	-	-	626	626

During the nine months ended September 30, 2020, the Company recognized an impairment expense of \$0.4 million related to intangible assets. See Note 7 below and Note 13 in the 2019 annual consolidated financial statements for further discussion on the Company's impairment tests.

7. Goodwill

Goodwill is monitored by management at the CGU level. A CGU level summary of the goodwill allocation is presented below:

	Environmental Consulting	Environmental Logistics	Total
Carrying value			
As at December 31, 2019	20,760	7,366	28,126
Impairment	-	3,300	3,300
As at September 30, 2020	20,760	4,066	24,826

Recent global events, including the COVID-19 pandemic and the material decline of oil prices have impacted the Company's near-term cash flows. As a result, the recoverable amounts of the groups of cash-generating units ("CGU") to which goodwill was allocated were reassessed as at March 31, 2020, and the Company recognized an impairment expense of \$3.3 million in the environmental logistics CGU.

The approach and assumptions used were consistent with those described in Note 13 in the 2019 annual consolidated financial statements, with the exception of cash flows for the next two years, which were based on management's revised assessment of expected market trends and commodity prices as a result of current economic conditions. For subsequent years, a recovery is assumed for each CGU to reflect the assumptions used in the annual consolidated financial statements.

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

8. Loans and borrowings

	September 30, 2020			December 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Secured						
Revolving loan (a)	-	8,900	8,900	-	21,400	21,400
Syndicate term loan (b)	4,971	37,861	42,831	7,619	37,889	45,508
Equipment loans (f)	1,651	1,075	2,726	2,794	1,314	4,108
Co-lend term loan (g)	6,250	-	6,250	-	-	-
Total borrowings	12,871	47,836	60,707	10,413	60,603	71,016

On June 29, 2020 the Company amended its Secured Credit Facilities. The maturity date is November 11, 2021 and the remainder of the amendments are incorporated below.

a) *Revolving loan*

The revolving loan is authorized to a maximum of \$30.0 million and can be drawn by a mix of account overdraft with interest at rates ranging from HSBC's CAD prime rate or USD base rate plus 3.00%-4.25%, CAD Bankers' Acceptance rate and USD LIBOR loans plus stamping fees of 4.00%-5.25%. The Company pays a standby fee on any unutilized portion of the revolving facility on the last day of each fiscal quarter at rates ranging from 0.80%-1.05%. The interest rate ranges are based on the funded debt to Bank EBITDA ratio for the preceding quarter.

b) *Syndicate term loan*

The interest rate on the syndicate term loan can be a mix of rates ranging from HSBC's CAD prime rate or USD base rate plus 3.00%-4.25%, CAD Bankers' Acceptance rate and USD LIBOR loans plus stamping fees of 4.00%-5.25%. The interest rate ranges are based on the net senior funded debt to Bank EBITDA ratio for the preceding quarter. The syndicate term loan is repayable in three quarterly principal payments of \$1,104 commencing September 30, 2020, followed by two quarterly principal payments of \$1,381 with a final payment of \$38.1 million due on maturity of November 11, 2021. In addition to the scheduled principal payments, the syndicate term loan includes an additional principal payment based on an annual excess cash flow. The excess cash flow calculation is applicable if the net syndicated funded debt to Bank EBITDA ratio [refer to (e) below] as at December 31, 2020 exceeds 2.75:1.00.

c) *Operating loan*

The syndicate facilities include a secured operating facility authorized to a maximum of \$5.0 million to be used for general corporate purposes. The operating loan may be borrowed, repaid and re-borrowed on a revolving basis from the Closing Date until the Maturity Date. To the extent funds are drawn on the operating facility they will bear interest at rates ranging from HSBC's CAD prime rate or USD base rate plus 3.00%-4.25%. There was \$0.5 million drawn on this facility as at September 30, 2020.

d) *Transaction costs*

The Company incurs transaction costs from time to time as it negotiates new borrowing arrangements. Transaction costs are capitalized and amortized on a straight-line basis over the term of the respective borrowing arrangement.

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

	September 30, 2020	December 31, 2019
Term loan - face value	43,075	45,703
Transaction costs	(244)	(195)
Carrying amount	42,831	45,508

e) *Borrowing covenants – Senior Credit Facility*

All loans are being provided in Canadian dollars and are subject to the following financial covenants:

- Net Syndicated Funded Debt to EBITDA ratio: the ratio of consolidated net senior indebtedness less subordinated term and working capital loans to EBITDA, calculated on a trailing 12-month basis, must not exceed:
 - 5.00:1.00 for the fiscal quarters from June 30, 2020 through to March 31, 2021;
 - and
 - 4.25:1.00 for each fiscal quarter thereafter.
- Net Senior Funded Debt to EBITDA ratio: the ratio of consolidated net senior indebtedness to EBITDA, calculated on a trailing 12-month basis, following the same fiscal quarter schedules as the Net Syndicated Funded Debt to EBITDA ratio plus an additional 0.50:1.00 on the above noted ratios.
- The ratio of net cash flow to fixed charges: the fixed charge coverage ratio must not be less than 1.10:1.00 calculated on a rolling four quarter basis.

At September 30, 2020, the Company was in compliance with the terms and covenants of its lending agreements.

f) *Equipment loans*

The equipment loans are due on demand, bear interest at rates ranging from 3.4% to 6.8% and have maturity dates (assuming they continue until maturity) ranging from November 8, 2020 to December 25, 2023. Equipment loans are secured by rolling stock with a net book value of \$5.0 million (December 31, 2019 - \$6.4 million).

g) *Co-lend term loan*

Under a separate loan agreement with HSBC Bank Canada, a demand term loan for \$6.3 million was obtained under BDC's Co-Lending Program. The loan is 80% funded by BDC, is secured by the assets of the Company ranking second to the Secured Credit Facility, bears interest at the rate of HSBC's CAD prime rate plus 4.25% per annum, is repayable in monthly interest only payments for the first year, then monthly principal plus interest payments over five years commencing July 2021 and maturing June 2026. For the purposes of the covenants noted above, this loan meets the definition of net senior funded debt but does not meet the definition of net syndicated funded debt.

h) *Subordinate working capital loan*

Under a separate loan agreement with Business Development Bank, a loan for \$2.0 million has been agreed to. The loan is secured by assets of the Company ranking behind the Secured Credit Facility and the Co-lend term loan, bears interest at the BDC's floating base rate less 1.75% per annum, is repayable in monthly interest only payments beginning November 23, 2020 until April 1, 2021. Commencing May 1, 2021, the Company is required to make twenty-three monthly principal plus interest payments of \$33 with a final balloon payment of \$1.2 million on April 1, 2023. For the purposes of the

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

covenants noted above, this loan meets the definition of net senior funded debt but does not meet the definition of net syndicated funded debt. This loan was advanced to the Company on October 23, 2020.

i) *Principal payments*

Principal payments for the co-lend loan, equipment loans, revolving loan and term loan (assuming they continue until maturity) within the next five years are as follows:

	Co-lend term loan	Equipment loans	Revolving loan	Term loan	Total
2020	-	458	-	1,105	1,563
2021	625	1,131	8,900	41,726	52,382
2022	1,250	533	-	-	1,783
2023	1,250	507	-	-	1,757
2024	1,250	97	-	-	1,347
Thereafter	1,875	-	-	-	1,875
	6,250	2,726	8,900	42,831	60,707

9. Other liabilities

Other liabilities are made up of several promissory notes from multiple acquisitions. The promissory notes are unsecured, bear interest at rates ranging from 5.0% to 6.0% and have maturity dates ranging from December 10, 2022 to July 10, 2023.

	Total
As at December 31, 2019	2,930
Interest accretion during the period	77
Payments	(1,707)
As at September 30, 2020	1,300

Other liabilities are presented on the consolidated interim statements of financial position as follows:

	September 30, 2020	December 31, 2019
Current portion of provisions	575	1,955
Non-current portion of provisions	725	975
	1,300	2,930

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

10. Share capital

Common shares

Authorized, unlimited number

Class A common voting shares

Class B common non-voting shares

	Notes	Class A #	Amount \$
As at December 31, 2019		93,413,124	83,231
Share cancellation		(2,160,009)	(2,160)
As at September 30, 2020		91,253,115	81,071

In 2017, one of the acquisitions included shares contingent on meeting specified financial targets for the years ended 2018 and 2019. The acquired company did not meet its specified financial targets for the years ended December 31, 2018 or 2019 and as a result, escrowed common shares of 2,160,009 shares were cancelled on January 31, 2020 and recorded as an increase to contributed surplus in the amount of \$2.16 million.

11. Share-based compensation

Stock Option Plan

The Company grants stock options to directors, officers, employees and consultants of the Company under its Stock Option Plan. Options under the Stock Option Plan are normally granted at the weighted average trading price of the Common Shares of the Company for the five consecutive trading days immediately preceding the day of grant of the stock option. Stock options vest in the manner determined by the Board at the time of the grant. The term of an option is five years from the date of grant.

A summary of the status of the Company's stock options is as follows:

	September 30, 2020		December 31, 2019	
	Outstanding options	Weighted average exercise price (\$)	Outstanding options	Weighted average exercise price (\$)
Balance - beginning of period	4,085,000	1.00	4,875,000	1.00
Forfeited	(175,000)	1.00	(790,000)	1.00
Balance - end of period	3,910,000	1.00	4,085,000	1.00
Exercisable - end of period	2,389,997	1.00	2,498,330	1.00

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

12. Finance costs

	Three months ended		Nine Months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Interest on loans	1,075	976	3,086	2,899
Interest accretion on lease and other liabilities	346	413	1,052	1,212
Financing and bank charges	59	156	428	259
	1,480	1,544	4,566	4,370

13. Government assistance

For the three months ended September 30, 2020, direct costs (personnel) and general and administrative expenses (personnel) are presented net of government assistance of \$2.8 million and \$0.8 million respectively (three months ended September 30, 2019 – nil). For the nine months ended September 30, 2020, direct costs (personnel) and general and administrative expenses (personnel) are presented net of government assistance of \$7.1 million and \$2.0 million respectively (nine months ended September 30, 2019 – nil).

14. Net Income (loss) per share

	Three months ended		Nine Months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Numerator:				
Net income (loss) and comprehensive income (loss) for the period	1,471	(523)	(4,839)	(2,415)
Denominator:				
Weighted average shares outstanding - basic & diluted	91,253,115	91,253,115	91,253,115	91,253,115
Income (loss) per share - basic and diluted	0.02	(0.01)	(0.05)	(0.03)

On August 31, 2020 warrants totaling 2,197,206 expired. In calculating the loss per share for the three and nine month periods ended September 30, 2020, the Company excluded 3,910,000 options (three and nine month ended September 30, 2019 – 2,197,206 warrants, 4,850,000 options, and 2,160,009 contingent shares), as their impact was anti-dilutive.

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

15. Related party transactions

All related party transactions are in the normal course of business materially under the same commercial terms and conditions as transactions with unrelated companies and are recorded at the exchange amount. Related party transactions include transactions with other private companies that are controlled by a director or officer.

At September 30, 2020, lease liabilities includes \$5.4 million (September 30, 2019 - \$5.9 million) of liabilities relating to the leases with a related party. Principal payments of unsecured lease liabilities and associated interest accretion for the three months ended September 30, 2020 were \$0.2 million (three months ended September 30, 2019 - \$0.2 million) and for the nine months ended September 30, 2020 were \$0.7 million (nine months ended September 30, 2019 - \$0.7 million).

16. Supplemental cash flow information

	Three months ended		Nine Months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
<i>Changes in non-cash working capital:</i>				
Trade and other receivables	265	487	6,140	8,027
Contract assets	1,538	(326)	1,457	(3,051)
Inventories	(52)	354	(240)	194
Prepaid expenses and deposits	1,194	(335)	(1,230)	(655)
Accounts payable and accrued liabilities	(252)	1,818	(2,117)	338
Contract liabilities	59	(199)	173	(993)
Income taxes payable	23	46	(185)	94
	2,775	1,845	3,998	3,954
<i>Net cash paid during the period for:</i>				
Interest	1,059	1,205	3,670	3,150
Income taxes	8	12	120	60

17. Segmented information

The Company has two reportable segments described as Engineering and Environmental Consulting ("Environmental Consulting") and Environmental Services. The accounting policies and practices for each of the segments are the same as those described in Note 2.

- Environmental Consulting consists of professional studies and services aimed at assisting clients to comply with regulatory requirements and ensure environmental sustainability. These activities include environmental studies, reclamation projects, abandonments, regulatory compliance, and land use agreements. Clients operate in various industries including energy, telecommunications, public sector, utilities, mining, and agriculture.
- Environmental Services consists of services and assets aimed at transportation, removal, storage, and disposal of materials, and maintenance of facilities, in an environmentally safe manner. Services include fluid hauling, equipment rentals, hydrovac services, and industrial cleaning, for various industries including energy, telecommunications, public sector, utilities, mining, and agriculture.

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

For the three month period ended September 30, 2020				
	Environmental Consulting	Environmental Services	Other	Total
Revenue	10,401	20,388	1,278	32,067
Operating profit (loss) before depreciation and amortization	2,858	6,059	(2,096)	6,822
Depreciation and amortization	280	2,088	875	3,243
Operating profit (loss)	2,578	3,970	(2,971)	3,578
Other information				
Expenditures for additions to :				
Property and equipment	102	600	10	712

For the three month period ended September 30, 2019				
	Environmental Consulting	Environmental Services	Other	Total
Revenue	13,051	29,144	1,460	43,655
Operating profit (loss) before depreciation and amortization	2,207	5,515	(1,247)	6,475
Depreciation and amortization	524	3,966	1,095	5,585
Operating profit (loss)	1,683	1,549	(2,342)	890
Other information				
Expenditures for additions to :				
Property and equipment	265	2,159	73	2,496

For the nine month period ended September 30, 2020				
	Environmental Consulting	Environmental Services	Other	Total
Revenue	28,869	66,711	3,214	98,794
Operating profit (loss) before depreciation and amortization	6,797	18,277	(6,228)	18,846
Depreciation and amortization	1,401	9,687	3,006	14,094
Operating profit (loss)	5,396	8,590	(9,234)	4,752
Other information				
Expenditures for additions to :				
Property and equipment	358	1,666	29	2,053

Vertex Resource Group Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2020

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

(unaudited)

	For the nine month period ended September 30, 2019			
	Environmental Consulting	Environmental Services	Other	Total
Revenue	33,247	87,533	6,626	127,406
Operating profit (loss) before depreciation and amortization	4,902	16,749	(3,817)	17,834
Depreciation and amortization	1,566	11,587	3,461	16,615
Operating profit (loss)	3,335	5,162	(7,278)	1,219

Other information

Expenditures for additions to :

Property and equipment	600	4,144	297	5,040
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As as September 30, 2020	Environmental Consulting	Environmental Services	Other	Total
Goodwill and intangible assets	20,760	4,066	626	25,452
Total assets	47,556	89,737	12,675	149,968
Total liabilities	11,615	27,266	62,240	101,120

As as December 31, 2019

Goodwill and intangible assets	21,191	7,757	747	29,695
Total assets	51,031	106,367	14,520	171,918
Total liabilities	13,011	30,620	74,734	118,365