SPARK POWER GROUP INC.

Condensed Consolidated Interim Financial Statements

For the 3 and 9 Months Ended September 30, 2018 and 2017

(Presented in Canadian dollars)

SPARK POWER GROUP INC.

Condensed Consolidated Interim Statements of Financial Position
Unaudited, Presented in Canadian dollars

	September 30, 2018	December 31, 2017
Assets		
Current assets		
Cash	$ 1,460,120	$ 3,126,617
Short-term investments	250,952	306,211
Accounts receivable (Note 4)	33,601,749	17,222,605
Contract asset (Note 4)	5,666,071	3,001,618
Inventory	5,136,800	2,704,432
Prepaid expenses and deposits	2,337,528	479,220
	48,453,220	26,840,703
Non-current assets		
Property and equipment (Note 5)	19,003,361	13,087,968
Intangible assets (Note 6)	34,987,693	23,275,425
Goodwill	28,652,505	19,033,431
	$ 131,096,779	$ 82,237,527
Liabilities and Shareholders' equity (deficiency)		
Current liabilities		
Bank indebtedness (Note 7)	$ 4,999,979	$ -
Accounts payable and accrued liabilities	24,158,367	11,066,082
Income taxes payable	1,183,093	793,179
Current portion of promissory notes (Note 7)	1,561,261	-
Contract liability	819,825	1,163,128
Current portion of long-term debt (Note 7)	708,333	3,645,000
Current portion of lease liability (Note 8)	3,710,182	2,867,672
Puttable Class A and Class 1 Special shares (Note 9)	-	17,816,420
Redeemable Preferred shares (Note 9)	-	15,000,000
Redeemable Class B Common and Class 1 Special shares (Note 9)	-	6,360,000
	37,141,040	58,711,481
Non-current liabilities		
Long-term debt (Note 7)	44,625,063	26,381,114
Lease liability (Note 8)	10,405,272	7,537,467
Promissory notes (Note 7)	8,672,266	9,500,000
Redeemable Preferred shares (Note 9)	-	4,222,386
Redeemable Class B Common and Class 1 Special shares (Note 9)	-	6,360,000
Deferred taxes	2,022,000	100,181
	102,865,641	112,812,629
Shareholders' equity (deficiency)		
Share capital (Note 9)	123,977,289	321,009
Contributed surplus	422,116	348,750
Non-controlling Interest	(180,787)	(180,787)
Deficit	(95,987,480)	(31,064,074)
	28,231,138	(30,575,102)
	$ 131,096,779	$ 82,237,527

See accompanying notes to the condensed consolidated interim financial statements.

SPARK POWER GROUP INC.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
Unaudited, Presented in Canadian dollars

	3 Months Ended September 30, 2018	3 Months Ended September 30, 2017	9 Months Ended September 30, 2018	9 Months Ended September 30, 2017
Revenue (Note 4)	$ 38,268,707	$ 22,639,739	$ 81,849,796	$ 57,868,574
Cost of sales	24,971,705	13,305,684	51,398,252	33,300,151
Gross Profit	13,297,002	9,334,055	30,451,544	24,568,423
Expenses				
Selling, general and administrative	8,277,598	6,414,393	22,617,089	21,055,459
Income from operations	5,019,404	2,919,662	7,834,455	3,512,964
Other income (expenses)				
Finance expense	(1,477,690)	(1,154,229)	(3,473,243)	(3,474,469)
Increase in value of Puttable Class A and Class 1 Special shares	(20,654,400)	-	(47,771,600)	-
Transaction costs (Note 2)	(9,157,399)	-	(10,269,633)	-
Excess of fair value over net assets acquired (Note 2)	(12,660,331)	-	(12,660,331)	-
Gain on retraction of Class B common and Class 1 Special shares (Note 9)	1,250,000	-	1,250,000	-
Other	(64,690)	(52,182)	(29,171)	(57,837)
	(42,764,510)	(1,206,411)	(72,953,978)	(3,532,306)
Income (loss) before income taxes	(37,745,106)	1,713,251	(65,119,523)	(19,342)
Current income taxes	685,243	190,714	1,481,064	572,156
Deferred income taxes (recovery)	(811,301)	232,649	(1,677,181)	697,947
Income taxes	(126,058)	423,363	(196,117)	1,270,103
Net income (loss) and comprehensive income (loss)	(37,619,048)	1,289,888	(64,923,406)	(1,289,445)
Net income (loss) and comprehensive income (loss) attributed to:				
Net and comprehensive income (loss) attributed to equity holders	(37,619,048)	1,292,228	(64,923,406)	(1,284,765)
Net and comprehensive income (loss) attributed to non-controlling interest	-	(2,340)	-	(4,680)
	$ (37,619,048)	$ 1,289,888	$ (64,923,406)	$ (1,289,445)
Income (loss) per share attributable to equity holders				
Basic	$ (0.83)	$ 0.71	$ (1.44)	$ (0.70)
Diluted	$ (0.83)	$ 0.32	$ (1.44)	$ (0.70)

See accompanying notes to the condensed consolidated interim financial statements.

SPARK POWER GROUP INC.

Condensed Consolidated Interim Statements of Changes in Equity

Unaudited, Presented in Canadian dollars

SPARKPOWER GROUP INC

	Common Shares		Warrants	Class A and B Common Shares		Class 1 Special Shares		Non-controlling	Contributed		Total Shareholders' Equity
	Number	Amount	Amount	Number	Amount	Number	Amount	Interest	Surplus	Deficit	(Deficiency)
Balance at December 31, 2016	-	$ -	$ -	100,000	$ 1	1,725,000	$ 8	(171,427)	$ 348,750	$ (15,228,668)	$ (15,051,336)
IFRS 15 transitional adjustment	-	-	-	-	-	-	-	-	-	865,172	865,172
Net loss and comprehensive loss	-	-	-	-	-	-	-	(4,680)	-	(1,284,765)	(1,289,445)
Balance at September 30, 2017	-	$ -	$ -	100,000	$ 1	1,725,000	$ 8	$ (176,107)	$ 348,750	$ (15,648,261)	$ (15,475,609)
Balance at December 31, 2017	-	$ -	$ -	100,000	$ 1	1,946,384	$ 321,008	$ (180,787)	$ 348,750	$ (31,064,074)	$ (30,575,102)
Net loss and comprehensive loss	-	-	-	-	-	-	-	-	-	(64,923,406)	(64,923,406)
Share capital addition (Note 9)	-	-	-	747,436	1,340,583	88,882	159,417	-	-	-	1,500,000
Private placement (Note 9)	-	-	213,189	1,746,879	5,446,700	-	-	-	-	-	5,659,889
Issuance of Class 1 Special - ESOP shares	-	-	-	-	-	166,060	94,159	-	-	-	94,159
Exercise of options (Note 9)	-	-	-	-	-	1,743,383	19,889	-	-	-	19,889
Exercise of warrants (Note 9)	-	-	-	-	-	160,500	232,725	-	-	-	232,725
Shares issued in acquisitions (Note 11)	-	-	-	470,957	1,525,900	-	-	-	-	-	1,525,900
Conversion of Class A, B and Class 1 Special Shares	7,564,761	9,140,382	-	(3,065,272)	(8,313,184)	(4,105,209)	(827,198)	-	-	-	-
Conversion of Puttable Class A and Class 1 Special shares	22,246,812	66,764,434	-	-	-	-	-	-	-	-	66,764,434
Conversion of Redeemable Preferred shares	1,567,074	4,701,217	-	-	-	-	-	-	-	-	4,701,217
Shares issued in Qualifying acquisition transaction (Note 2)	13,541,666	40,709,734	2,448,333	-	-	-	-	-	-	-	43,158,067
Stock-based compensation	-	-	-	-	-	-	-	-	73,366	-	-
Balance at September 30, 2018	**44,920,313**	**$ 121,315,767**	**$ 2,661,522**	**-**	**$ -**	**-**	**$ -**	**$ (180,787)**	**$ 422,116**	**$ (95,987,480)**	**$ 28,231,138**

See accompanying notes to the condensed consolidated interim financial statements.

SPARK POWER GROUP INC.

Condensed Consolidated Interim Statements of Cash Flows

Unaudited, Presented in Canadian dollars

	3 Months Ended September 30		9 Months Ended September 30	
	2018	**2017**	**2018**	**2017**
Cash flows from (used in) operating activities				
Net income (loss) for the period	**$ (37,619,048)**	$ 1,289,888	**$ (64,923,406)**	$ (1,289,445)
Adjustments for non-cash items				
Amortization	**2,278,744**	1,494,384	**5,608,926**	4,241,004
Gain on retraction of Class B Common and Class 1 Special shares	**(1,250,000)**	-	**(1,250,000)**	-
Excess of fair value over net assets acquired	**12,660,331**	-	**12,660,331**	-
Deferred income taxes (recovery)	**(811,301)**	232,647	**(1,677,181)**	697,945
Accrued interest on Class B, Class 1 Special shares and Preferred	**125,431**	278,025	**546,331**	743,125
Increase in value of Puttable Class A and Class 1 Special shares	**20,654,400**	-	**47,771,600**	-
Stock-based compensation	**73,366**	-	**73,366**	-
Changes in non-cash working capital balances:				
Accounts receivable	**(809,930)**	(3,599,353)	**(3,872,559)**	(3,057,440)
Contract asset	**(3,179,594)**	(2,610,879)	**(1,668,477)**	(3,468,151)
Inventory	**493,935**	1,682,411	**266,271**	1,662,086
Prepaid expenses and deposits	**(188,521)**	(230,900)	**(772,305)**	(231,945)
Accounts payable and accrued liabilities	**4,138,688**	4,024,762	**5,965,030**	(1,567,167)
Income taxes payable	**(229,120)**	531,345	**523,914**	459,787
Contract liability	**(819,602)**	(1,570,130)	**(731,914)**	(1,674,197)
	(4,482,221)	1,522,200	**(1,480,073)**	(3,484,398)
Cash flows from (used in) investing activities				
Purchase of property and equipment	**(2,136,567)**	(135,019)	**(3,475,299)**	(637,305)
Sale (purchase) of short-term investments	**1,217**	-	**55,359**	(75,454)
Cash paid to acquire businesses (Note 11)	**(10,214,730)**	-	**(10,214,731)**	(14,678,161)
Cash acquired on Qualifying acquisition (Note 2)	**30,497,736**	-	**30,497,736**	-
Repayments from related parties	**-**	1,285,874	**-**	1,285,874
Repayments to related parties	**-**	(361,808)	**-**	(361,808)
Proceeds on disposale of property and equipment	**-**	-	**-**	168,322
	18,147,656	789,047	**16,863,065**	(14,298,532)
Cash flows from (used in) financing activities				
Bank indebtedness	**4,999,979**	-	**4,999,979**	(795,000)
Repayment of promissory notes	**(17,768,208)**	-	**(17,768,208)**	-
Issuance of share capital	**5,754,038**	-	**6,930,452**	-
Redemption of Preferred shares	**(15,000,000)**	-	**(15,000,000)**	-
Retraction of Class B Common and Class 1 Special shares	**(10,037,500)**	-	**(10,037,500)**	-
Exercise of warrants and options	**252,624**	-	**252,624**	-
Repayments of lease obligation	**(616,808)**	(588,166)	**(1,734,118)**	(1,680,059)
Proceeds from long-term debt	**45,947,136**	-	**44,501,396**	32,000,000
Repayment of long-term debt	**(29,194,114)**	(3,671,042)	**(29,194,114)**	(11,944,708)
	(15,662,853)	(4,259,208)	**(17,049,489)**	17,580,233
Net change in cash during the period	**(1,997,418)**	(1,947,961)	**(1,666,497)**	(202,697)
Cash, beginning of period	**3,457,538**	1,854,706	**3,126,617**	109,442
Cash (bank indebtedness), end of period	**$ 1,460,120**	($93,255)	**$ 1,460,120**	($93,255)
Non-cash transaction - Conversion of shares (Note 9)	**$ 81,199,222**	$ -	**$ 81,199,222**	$ -

See accompanying notes to the condensed consolidated interim financial statements.

1. BUSINESS DESCRIPTION

Spark Power Group Inc. ("Spark" or "the Company") is incorporated under the laws of Ontario. The Company provides high voltage and low voltage electrical services and operations and maintenance support for renewable power facilities in Canada and the United States.

The Company's head office, principal address, and registered office is located at 1315 North Service Road E, Suite 300, Oakville, Ontario L6H 1A7.

2. SIGNIFICANT EVENTS AND TRANSACTIONS

Canaccord Genuity Acquisition Corporation ("CGAC") is a special purpose acquisition corporation incorporated under the Business Corporations Act (Ontario) for the purpose of effecting an acquisition of one or more business or assets, by way of merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization, or other similar business combination involving CGAC, referred to as its qualifying acquisition. On July 24, 2017, CGAC closed its initial public offering (the "Offering") of Class A restricted voting shares ("Class A Restricted Voting Shares") for a total proceeds of $30,000,000. Upon closing of the Offering, CGAC's Class A Restricted Voting Shares and Class B shares ("Class B Share") were listed on the Toronto Stock Exchange (the "TSX"). The total proceeds from the Offering were placed in an escrow account to be released upon consummation of the qualifying acquisition in accordance with the terms and conditions of the escrow agreement.

On June 18, 2018, CGAC filed a non-offering long form preliminary prospectus in respect of the Spark Power Acquisition, and on August 8, 2018, CGAC obtained its receipt from securities regulators for the public filing of its non-offering long form final prospectus in respect of the Spark Power Acquisition.

On August 31, 2018, CGAC completed the acquisition of Spark Power Corp. ("Spark Power"). The merger with Spark Power (the "Spark Power Acquisition") constituted CGAC's qualifying acquisition (the "Qualifying Acquisition"). In connection with the closing of the Qualifying Acquisition, CGAC was renamed Spark Power Group Inc.

While CGAC was the legal acquirer of Spark Power, Spark Power was identified as the acquirer for accounting purposes. The Spark Power Acquisition is outside the scope of IFRS 3, Business Combinations ("IFRS 3"), and is accounted for as an equity-settled share-based payment transaction in accordance with IFRS 2, Share-based Payments ("IFRS 2"). Spark is considered to be a continuation of Spark Power with the net identifiable assets of CGAC deemed to have been acquired by Spark Power in exchange for shares of Spark Power. Under IFRS 2, the transaction is measured at the fair value of the shares deemed to have been issued by Spark Power in order for the ownership interest in the combined entity to be the same as if the transaction had taken the legal form of Spark Power acquiring 100% of CGAC. Any difference in the fair value of the shares deemed to have been issued by Spark Power and the fair value of CGAC's net identifiable assets represents a service received by Spark Power (being the publicly listed status being achieved), recorded through profit and loss. The fair value of the shares deemed to have been issued is based on the estimated fair value at the acquisition date, using management's best estimates of the fair value using the data available at the acquisition date.

2. SIGNIFICANT EVENTS AND TRANSACTIONS (Continued)

Details of the Spark Power Acquisition are summarized as follows:

Assets acquired		
Cash	$	243,736
Cash balance held in escrow account		30,302,000
	$	30,545,736
Liabilities assumed		
Accounts payable and accrued liabilities	$	12,000
Amounts due to related party		36,000
	$	48,000
Net assets acquired		**30,497,736**
Fair value of shares and warrants deemed to have been issued by Spark Power (Note 9)		43,158,067
Excess of fair value over net assets acquired	**$**	**12,660,331**

The Company incurred legal and other costs of $2.03 million in connection with the Spark Power Acquisition that are included in transaction costs in the Condensed Consolidated Interim Statement of Comprehensive Loss.

Spark Power's historical financial statements as of and for the periods ended prior to the completion of the Qualifying Acquisition are presented as the historical financial statements of Spark prior to the date of the completion of the Qualifying Acquisition.

3. BASIS OF PREPARATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements for the period ended September 30, 2018 and 2017 ("Interim Financial Statements") have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB").

The Board of Directors approved these Interim Financial Statements on November 13, 2018.

Basis of Measurement

These Interim Financial Statements have been prepared on a historical cost basis, except for the Puttable Class A Common shares and Class 1 Special shares and short-term investments which are carried at fair value with changes in fair value recognized in comprehensive loss.

Functional and Presentation Currency

These Interim Financial Statements are presented in CDN$ which is also the functional currency of the Company and its subsidiaries.

These Interim Financial Statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2017. These Interim Financial Statements have been prepared using the same accounting policies that were described in Note 3 to the December 31, 2017 annual consolidated financial statements.

3. BASIS OF PREPARATION (Continued)

Recent Accounting Pronouncements

At the date of authorization of these Interim Financial Statements, the IASB and International Financial Reporting Interpretations Committee ("IFRIC") have not issued any new or revised Standards and Interpretations that will become effective for the Company in future years and are expected to have a material impact on the Company. The Company has early adopted IFRS 9, Financial Instruments, IFRS 15, Revenue from Contracts with Customers, and IFRS 16, Leases, as at January 1, 2017.

Significant Accounting Judgments and Estimates

The preparation of the Interim Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amount of revenues and expenses during the reporting period. Management is required to apply judgment in recognizing revenue, determination of the useful lives of assets, determination of valuation of equity transactions, valuation of business combinations, discount rate of lease liability, and impairment of goodwill. By their nature, these estimates are subject to measurement uncertainty and are reviewed periodically and adjustments, if necessary, are made in the period in which they are identified. Actual results could differ from those estimates.

Revenue recognition - The most significant judgments and estimates in recognizing revenue relate to the management contracts, as they are long-term in nature and contain consideration that is variable based on a number of uncertain factors, such as estimated electrical production over many years, expense growth, and the number of sites to be monitored. The Company determines the extent to which the estimate of variable consideration is constrained (and therefore included in the measurement of revenue) by considering historical trends and the lowest levels of annual incentive fees earned in the past.

Excess of fair value over net assets acquired – Significant judgments and estimates are involved in determination of the fair value of shares issued in the Spark Power Acquisition to complete the merger with CGAC. A change in these estimates and/or judgments could result in a material change to the expense recorded as excess of fair value over net assets acquired relating to the listing fee.

Useful lives of assets - Significant estimates in connection with these Interim Financial Statements include the determination of the useful lives of property and equipment and intangible assets based on their expected deterioration rates.

Determination of valuation of equity transactions – Significant estimates are involved in determination of the fair value of equity transactions such as those issued in the Spark Acquisition.

Valuation of business combinations - Significant estimates and assumptions are required to determine the purchase price allocation of business combinations including determination of valuation of intangible assets acquired as such.

Discount rate of lease liability – The lease liability assisted with all property and vehicle leases is measured at the present value of expected lease payments and discounted using the interest rate implicit in the lease.

Impairment of goodwill -The annual test of impairment of goodwill is completed based on management's estimates of future performance of the related cash generating unit based on past history and economic trends, plus estimates of the weighted average cost of capital.

Unaudited, Presented in Canadian dollars

4. ACCOUNTS RECEIVABLE, CONTRACT ASSET AND REVENUE

	September 30, 2018	December 31,2017
Trade	**$ 33,899,218**	$ 17,487,364
Less: Provision	**(297,469)**	(264,759)
	$ 33,601,749	$ 17,222,605

	September 30, 2018	December 31, 2017
Contract asset	**$ 5,666,071**	$ 3,001,618
	$ 5,666,071	$ 3,001,618

Management through its review of outstanding balances, has identified no objective evidence of impairment of its current and 31-90 days past due balance which is based on indications that a debtor or a group of debtors are experiencing significant financial difficulty, delinquency in payments, probability that they will enter bankruptcy or any other financial reorganization. As such, probability of default has been assessed to be insignificant.

Revenue Disaggregation by Stream

The Services and Solutions columns represent the segments that can be found in Note 12.

9 Months Ended September 30, 2018			
	Services	**Solutions**	**Total**
Service	**$ 70,288,130**	**$ 4,144,122**	**$ 74,432,252**
Construction	**5,151,564**	**-**	**$ 5,151,564**
Management	**1,280,324**	**985,656**	**$ 2,265,980**
Total	**$ 76,720,018**	**$ 5,129,778**	**$ 81,849,796**

9 Months Ended September 30, 2017			
	Services	Solutions	Total
Service	$ 49,134,303	$ -	$ 49,134,303
Construction	4,755,701	-	4,755,701
Management	1,313,838	2,664,732	3,978,570
Total	$ 55,203,842	$ 2,664,732	$ 57,868,574

Unaudited, Presented in Canadian dollars

5. PROPERTY AND EQUIPMENT

	Computer Hardware	Computer Software	Furniture & Fixtures	Right of Use Property and Leaseholds	Equipment	Vehicles	Total
Cost:							
Balance at December 31, 2017	$ 306,377	$ 1,836,562	$ 891,282	$ 6,771,715	$ 2,992,403	$ 7,940,432	$ 20,738,771
Disposals	-	-	-	(445,178)	-	-	(445,178)
New leases acquired during the period	-	-	-	200,867	-	328,544	529,411
Additions from business combinations	794,434	881,244	396,644	6,092,392	1,388,649	1,978,759	11,532,122
Additions	242,596	834,241	273,077	716,137	696,422	712,826	3,475,299
Balance at September 30, 2018	$ 1,343,407	$ 3,552,047	$ 1,561,003	$ 13,335,933	$ 5,077,474	$ 10,960,561	$ 35,830,425
Accumulated depreciation:							
Balance at December 31, 2017	$ 226,560	$ 494,365	$ 656,592	$ 1,942,993	$ 2,319,178	$ 2,011,115	$ 7,650,803
Disposals	-	-	-	(445,178)	-	-	(445,178)
Additions from business combinations	697,736	832,418	304,408	2,233,158	958,355	858,002	5,884,077
Amortization for the period	53,066	350,327	99,861	1,182,891	107,632	1,943,585	3,737,362
Balance at September 30, 2018	$ 977,362	$ 1,677,110	$ 1,060,861	$ 4,913,864	$ 3,385,165	$ 4,812,702	$ 16,827,064
Net carrying amounts:							
December 31, 2017	$ 79,817	$ 1,342,197	$ 234,690	$ 4,828,722	$ 673,225	$ 5,929,317	$ 13,087,968
September 30, 2018	**$ 366,045**	**$ 1,874,937**	**$ 500,142**	**$ 8,422,069**	**$ 1,692,309**	**$ 6,147,859**	**$ 19,003,361**

6. INTANGIBLE ASSETS

	Customer relationships	Tradename	Sales Backlog	Non-competition agreement	Total
Cost:					
Balance at December 31, 2017	$ 19,774,000	$ 5,504,000	$ 845,000	$ 213,000	$ 26,336,000
Additions from Bullfrog Power Inc.	5,028,000	2,897,000	-	-	7,925,000
Additions from Orbis Engineering Field Services Ltd.	1,524,000	2,024,000	-	-	3,548,000
Additions from New Electric Fresno, LLC	1,373,027	737,805	-	-	2,110,832
Balance at September 30, 2018	$ 27,699,027	$ 11,162,805	$ 845,000	$ 213,000	$ 39,919,832
Accumulated amortization:					
Balance at December 31, 2017	$ 2,393,500	$ -	$ 581,875	$ 85,200	$ 3,060,575
Amortization for the period	1,681,176	-	158,438	31,950	1,871,564
Balance at September 30, 2018	$ 4,074,676	$ -	$ 740,313	$ 117,150	$ 4,932,139
Net carrying amounts:					
December 31, 2017	$ 17,380,500	$ 5,504,000	$ 263,125	$ 127,800	$ 23,275,425
September 30, 2018	$ 23,624,351	$ 11,162,805	$ 104,687	$ 95,850	$ 34,987,693

Unaudited, Presented in Canadian dollars

7. LOANS AND BORROWINGS

	September 30 2018	December 31 2017
Promissory Notes		
Issued January 1, 2017 and bears interest at 6% per annum which is payable annually. The accrued interest is included in accounts payable and accrued liabilities. The note matures on January 1, 2022. $8,512,000 of principal was repaid during the three months ended September 30, 2018	**$ 987,500**	$ 9,500,000
Issued July 1, 2018 and bears interest at 4% per annum. Principal amount plus interest shall be paid in equal annual installments of principal and accrued interest on each anniversary. (Note 11 – Orbis)	**2,245,042**	-
Issued July 1, 2018 and bears interest at 6% per annum and is paid annually on the anniversary date. The note is payable on April 30, 2021. (Note 11 – NEF)	**1,279,750**	-
Issued July 1, 2018 and bears interest at 6% per annum paid quarterly. Principal payments to be made as follows: 2019 - $1,000,000, 2020 - $1,000,000, 2021 - $2,000,000, 2022 – $2,000,000. (Note 11 – Bullfrog)	**5,721,235**	-
	10,233,527	-
Less: current portion	**1,561,261**	-
	$ 8,672,266	$ 9,500,000

	September 30 2018	December 31 2017
Term loans		
Non-revolving term loan with Bank of Montreal loan bearing interest at prime plus 0.75% - 1.75% per annum payable monthly. Principal payments of $1,375,000 per quarter commencing December 31, 2019. The loan matures on August 9, 2021.	**$ 44,000,000**	$ -
Branko Bibic loan bearing interest at 4.00% per annum and repayable in annual payments of principal plus accrued interest. Principal payments to be made as follows: 2019 - $250,000, 2020 - $500,000, 2021 - $750,000. The loan matures on April 30, 2021 and is secured by a General Security Agreement	**1,500,000**	1,625,000
Integrated Private Debt Fund GP Inc. loan bearing interest at 6.50% per annum and repayable in monthly blended payments.	**-**	29,440,000
	45,500,000	31,065,000
Less: current portion	**708,333**	3,645,000
Less: financing fees, net of amortization	**166,604**	1,038,886
	$ 44,625,063	$ 26,381,114

Unaudited, Presented in Canadian dollars

7. LOANS AND BORROWINGS (Continued)

The Company has a $20.0 million revolving operating line bearing interest at prime plus 0.0% - 1.0%. At September 30, 2018, the Company had drawn $5.0 million on this facility.

During the quarter, the Company repaid all amounts owing under the Integrated Private Debt Fund facility totaling $29,194,114, inclusive of accrued interest of $128,488. In addition, the Company paid an early termination fee of $2,110,768.

8. LEASE LIABILITY

	September 30 2018	December 31 2017
Property and office space leases bearing interest at an estimated rate of 6%. The leases extend through fiscal 2022.	**$ 7,847,859**	$ 4,899,710
Motor vehicle leases bearing interest at an estimated rate of 6%. The leases extend through fiscal 2022.	**6,140,672**	5,272,595
Equipment and hardware leases bearing interest at an estimated rate of 6%. The leases extend through 2020.	**126,923**	232,834
	14,115,454	10,405,139
Less: current portion	**3,710,182**	2,867,672
	$ 10,405,272	$ 7,537,467

9. SHARE CAPITAL

Common shares

Common and Class 1 Special shares

Authorized:

Unlimited Common shares

Issued:

		September 30 2018	December 31 2017
44,920,313	Common shares (2017 - nil)	**$ 121,315,767**	$ -
nil	Class A Common shares (2017 – 100,000)	-	1
nil	Class 1 Special shares (2017 – 1,946,384)	**-**	321,008
		$ 121,315,767	$ 321,009

In June 2018, the redemption rights related to 747,436 Class B Common shares and 88,862 Class 1 Special shares expired. As a result, the shares were re-classed from liabilities to share capital and interest previously accrued of $112,500 was recorded as a reduction of finance and income expense.

Unaudited, Presented in Canadian dollars

9. SHARE CAPITAL (Continued)

In July 2018, 470,957 Class A Common shares were issued in connection with the acquisitions described in Note 10.

In August 2018, 1,746,879 Class A Common shares and 943,315 warrants were issued for proceeds of $5,659,889, with $5,446,700 allocated to Class A Common shares and $213,189 allocated to the warrants.

In August 2018, stock options for 1,743,383 Class 1 Special shares were exercised for cash proceeds of $19,889. In addition, warrants for 160,500 Class 1 Special shares were exercised for cash proceeds of $232,725.

In connection with the Spark Power Acquisition, 2,317,836 Class A Common shares, 747,436 Class B Common shares and 3,939,144 Class 1 Special shares were exchanged for 7,564,769 Common Shares. Also, 22,246,812 common shares were issued on the conversion of the puttable Class A and Class 1 Special shares, 1,567,074 common shares were issued on the conversion of redeemable preferred shares and 13,541,666 common shares were issued as described in Note 2.

Puttable Class A Common shares and Class 1 Special shares
Issued:

			September 30 2018		December 31 2017
nil	Class 1 Special shares (2017 – 796,022)	$	-	$	716,420
nil	Class A common shares (2017 -19,000,000)		-		17,100,000
		$	-	$	17,816,420

In 2018, the Company issued 802,877 Class 1 Special shares to employees of the Company for proceeds of $1,155,360 as part of the Company's Employee Share Ownership Plan ("ESOP"). Under the plan, employees acquired the shares at a purchase price of $1.45 per share. Under certain circumstances, including the resignation of the employee, the shares were to be repurchased by the Company. The redemption price was to be based on the greater of the initial purchase price of $1.45 and a percentage of the estimated fair market value of the shares subject to the period of time the shares have been held. In connection with the Spark Power Acquisition, the Class 1 Special shares were exchanged for 867,107 Common Shares with no further rights of redemption. A charge of $1,230,299 was recorded in the period ending September 30, 2018, representing the excess of the fair value of the Common Shares over the redemption value of the Class 1 Special Shares – ESOP.

In addition, during the first quarter, employees committed to acquire an additional 187,984 Class 1 Special shares – ESOP during the year. In connection with the Spark acquisition, the Company exchanged the right to Class 1 Special shares – ESOP for Common Shares.

The Company has previously issued 19,000,000 Class A common shares to the founders of the Company. The terms of these shares require the Company to redeem the shares at fair market value in the event of the death of either of the founding shareholders. The Class A common shares were exchanged for 20,520,000 Common Shares. A charge of $18,944,000 was recorded during the three months ended September 30, 2018, representing the increase in the redemption value of the Class A common shares prior to the exchange.

In 2016, in connection the with the issuance of the Class C-1 preference shares, 796,022 Class 1 Special shares were issued to a Limited Partnership. The terms of these shares require the Company to redeem the shares at fair market value in the event of the termination of the partnership. In connection with the Spark Power Acquisition, the Class 1 Special shares were exchanged for 859,704 Common Shares. A charge of $780,101 was recorded during the three months ended September 30, 2018, representing the increase in the redemption value of the Class A common shares prior to the exchange.

Unaudited, Presented in Canadian dollars

9. SHARE CAPITAL (Continued)

Class B Common shares and Class 1 Special shares

Authorized:

Unlimited Class B Common shares

Issued:

		September 30 2018	December 31 2017
nil	Class B Common shares (2017 – 5,979,487)		
nil	Class 1 Special shares (2017 – 711,057)	**$ -**	$ 12,720,000
Less: current portion		**-**	6,360,000
		$ -	$ 6,360,000

In connection with the Spark Power Acquisition (Note 1), 5,232,051 Class B Common shares and 622,175 Class 1 Special Shares were redeemed for $10,037,500. These Class B Common shares and Class 1 Special Shares had a book value of $11,287,500 at the date of redemption. This resulted in a gain of $1,250,000.

The remaining 747,436 Class B Common shares and 88,882 Class 1 Special shares were exchanged for 807,230 Common Shares and 95,993 Common Shares, respectively.

In 2017, the Company issued 5,979,487 Class B Common shares and 711,057 Class 1 Special shares ("New Electric Shares") in connection with the New Electric Acquisition (Note 10). The New Electric Shares could be retracted by the Company or redeemed by the shareholders within 30 days of issuance of the 2017 annual financial statements. The consideration for the retraction or redemption would consist of $6 million of cash and $6 million to be added to the principal of the promissory note described in Note 7. The amount of cash paid added to the promissory note was to include accrued interest at 6% as if issued on January 1, 2017. Interest of $787,500 had been accrued on the New Electric Shares as at the date of the Spark Power Acquisition.

Preferred Shares

Authorized:

Unlimited Non-voting Series A-1 Preferred shares
Unlimited Non-voting Series B-1 Preferred shares

Issued:

		September 30 2018	December 31 2017
nil	Series A-1 Preferred shares, redeemable for $1,699,000 (2017 – 100,000)	**$ -**	$ 1,699,000
nil	Series B-1 Preferred shares, redeemable for $13,301,000 (2017 – 13,301,000)	-	13,301,000
		$ -	$ 15,000,000

Unaudited, Presented in Canadian dollars

9. SHARE CAPITAL (Continued)

The Series A-1 Preferred shares and Series B-1 Preferred shares were redeemable at any time. The redemption value of the Series A-1 Preferred shares was $1,699 per share and the redemption value of the Series B-1 Preferred shares was $1 per share. The Series A-1 Preferred shares and Series B-1 Preferred shares were redeemed at their stated redemption amount totaling $15,000,000 in connection with the Spark Power Acquisition (Note 1).

Authorized:

Unlimited	Non-voting Series C-1 Preferred shares
Unlimited	Non-voting Series D-1 Preferred shares

Issued:

		September 30 2018	December 31 2017
nil	Series C-1 Preferred shares, redeemable for $1,976,250 (2017 – 1,976,250)	**$ -**	2,312,436
nil	Series D-1 Preferred shares redeemable for $1,819,000 (2017 – 1,819,000)	-	1,909,950
		$ -	$ 4,222,386

The Series C-1 and Series D-1 Preferred shares are redeemable five years from issuance, subject to the right of the Company to defer redemption for up to two years. The redemption value of the Series C-1 and D-1 Preferred shares was $1 per share. In connection with the Spark Power Acquisition, the Series C-1 and D-1 Preferred shares were exchanged for 820,947 and 746,126 Common shares, respectively. The fair value of the Common shares approximated the redemption value of the Series C-1 and D-1 Preferred shares.

In 2017, 1,819,000 Class D-1 Preferred shares, 221,384 Class 1 Special shares and 160,500 warrants were issued for $2,140,000. The Class D-1 Preferred shares have a cumulative annual dividend of 10% and a total redemption value of $1,819,000 and are classified as a liability. The warrants entitle the holder to acquire a Class 1 Special share for an exercise price of $1.45. The proceeds were first allocated to the liability component of the issuance. The Class D-1 Preferred shares were recorded at $1,819,000 as the redemption value was determined to represent the estimated fair value of the liability at issuance. The residual of $321,000 was allocated to the Class 1 Special shares and $nil was allocated to the warrants as the warrants were determined to have a nominal value. Accrued dividends on the Class D-1 Preferred shares was $136,200 at the date of the Spark Power Acquisition.

The warrants were exercised prior to the Spark Power Acquisition for 232,725 Class 1 Special shares, which were subsequently exchanged for 251,343 Common shares.

In 2016, 1,976,250 Class C-1 Preferred shares and 796,022 Class 1 Special shares were issued for $2,325,000. The Class C-1 Preferred shares have a cumulative annual dividend of 10% and a total redemption value of $1,976,250 and are classified as a liability. The proceeds were first allocated to the liability component of the issuance. The Class C-1 Preferred shares were recorded at $1,976,250 as the redemption value was determined to represent the estimated fair value of the liability at issuance. The residual of $348,750 was recorded as an increase to contributed surplus. Accrued dividends on the Class C-1 Preferred shares at the date of the Spark Power Acquisition was $157,650.

Unaudited, Presented in Canadian dollars

9. SHARE CAPITAL (Continued)

Stock options

The Company has an incentive stock option plan. Under the terms of the plan, directors, officers, employees and consultants, subject to certain conditions, may be granted options to purchase common shares of the Company. As at September 30, 2018, there were 8,211,130 options that are available to be granted under the plan. Options generally expire after ten years, with vesting provisions stated in the plan.

Activity in the Company's stock option plan for the nine months ended September 30, 2018 and 2017 are summarized as follows:

	Nine months ended September 30, 2018		Nine months ended September 30, 2017	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Opening outstanding	**2,998,984**	**0.01**	2,200,000	0.01
Granted during the period	**843,601**	**1.90**	660,084	1.65
Forfeited during the period	**(245,517)**	**0.01**	-	-
Exercised during the period	**(1,743,383)**	**0.01**	-	-
Increase in options on conversion	**148,295**	**-**	-	-
Granted after conversion	**60,000**	**3.24**	-	-
Outstanding at September 30	**2,061,980**	**1.77**	2,860,084	0.01

In connection with the Spark acquisition, the options were converted into rights to Common Shares.

Warrants

As described above the Company issued 943,315 warrants in August 2018. These warrants give the right to purchase one-half share at an exercise price of $3.45 for a term of 5 years. In addition, 10,833,333 warrants with an allocated value of $2,448,333 (Note 2) were issued in connection with the Spark Power Acquisition. These warrants have been classified as an equity instrument based on their estimated fair market value.

10. FINANCIAL INSTRUMENTS

The Company has classified its financial instruments in accordance with IFRS into various categories as described in its accounting policies.

The fair values of financial instruments are classified and measured according to the following three levels based on the fair value hierarchy.

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: inputs other that quoted priced included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: inputs for the asset or liability that are no based on observable market data. There were no financial instruments carried at fair value categorized in Level 3 as at September 30, 2018.

There were no transfers between levels during the period.

10. FINANCIAL INSTRUMENTS (Continued)

The only financial instruments recorded at fair value are the short-term investments, Puttable Class A shares and Class 1 Special shares. Short-term investments are Level 1 financial instruments. The Puttable Class A and Special shares are measured as a Level 3 financial instrument and have been recorded based on the estimated fair value of the Class A Common shares.

Prior to the conversion of the Puttable Class A and Class 1 Special shares have been valued using an income approach to determine the enterprise value of the Company and a related fair value per share. Under this approach, the enterprise value was determined based on the trailing 12 months EBITDA multiplied by a multiple of 8.3. The multiple was estimated based on comparable companies. The same method was used for all years presented. At December 31, 2017, the fair value of each share was determined to be $0.90.

The carrying values of cash, accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term nature of these securities. The balances due to and from related parties and shareholders approximated their fair values since these instruments were due on demand.

The fair values of the borrowings are calculated based on the present value of the future principal and interest cash flows, discounted at the market rate of interest at the reporting date. The market rate of interest is determined by reference to similar liabilities.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Risk management

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies while retaining ultimate responsibility for them. The Company is exposed to a variety of financial risks by virtue of its activities: market risk, credit risk, interest rate risk and liquidity risk. The Company's overall risk management program has not changed throughout the year and focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the finance department under policies approved by the Board of Directors. This department identifies and evaluates financial risks in close cooperation with management.

Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company is mainly exposed to credit risk from credit sales. Management of the Company monitors the credit worthiness of its customers by performing background checks on all new customers focusing on publicity, reputation in the market and relationships with customers and other vendors. Further, management monitors the frequency of payments from Spark Power's ongoing customers and performs frequent reviews of outstanding balances. The Company considers that there has been a significant increase in

credit risk when contractual payments are more than 30 days past due.

The Company considers a receivable to be in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Provisions for outstanding balances are set based on forward looking information; when there is a change in the circumstances of a customer that would result in financial difficulties as indicated through factors described in Note 3 and create doubt over the receipt of funds. Such reviews of a customer's circumstances are done on a continued basis through the monitoring of outstanding balances as well as the frequency of payments received. A trade receivable is completely written off once management determines the probability of collection to be not present.

Unaudited, Presented in Canadian dollars

10. FINANCIAL INSTRUMENTS (Continued)

The Company's balances of cash and short-term investments also subject the Company to credit risk. At September 30, 2018, the Company has cash of approximately $1.5 million (December 31, 2017 - $3.1 million) in various bank accounts as per its practice of protecting its capital rather than maximizing investment yield through additional risk. The cash is held with a major Canadian bank which the Company believes lessens the degree of credit risk.

Interest rate risk

Interest rate risk arises from the Company's use of interest bearing debt securities. However, the Company has limited exposure to risk related to interest rate fluctuations, as all of its interest-bearing debt is at a fixed rate of interest. The Company may increase debt levels depending on the balance of financing in the future. If cash balances are higher than required for immediate requirements, the Company invests with a low risk strategy in secure short-term deposits through major banks to earn interest income.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure it will always have sufficient cash to allow it to meet its liabilities when they become due. The Board receives monthly information regarding cash balances and cash flow projections. The liquidity risk of each subsidiary is managed centrally by the treasury function.

11. BUSINESS COMBINATIONS

Orbis

On July 1, 2018, Spark acquired all of the issued and outstanding common shares of Orbis Engineering Field Services ("Orbis") in exchange for 400,000 shares of Spark, a cash payment of $5,000,000 and a 4-year promissory note of $2,300,000 at an interest rate of 4%.

The following table summarizes the estimated fair value of the consideration transferred and the preliminary estimated fair values of the major classes of assets acquired and liabilities assumed at the acquisition date. The Company may adjust the preliminary purchase price allocation, as necessary, as new information obtained about facts and circumstances that existed as of the closing date.

Assets acquired		
Accounts receivable	$	7,391,830
Contract asset		995,976
Inventory		279,910
Prepaid expenses		514,354
Property, plant and equipment		4,741,617
Customer relationships		1,524,000
Trade name		2,024,000
	$	17,471,687
Liabilities Assumed		
Accounts payable and accrued liabilities	$	(5,335,427)
Contract liabilities		(333,700)
Lease obligation		(4,301,162)
Deferred taxes		(940,000)
	$	(10,910,289)
Consideration	$	9,255,538
Goodwill	$	2,694,140

Unaudited, Presented in Canadian dollars

11. BUSINESS COMBINATIONS (Continued)

The consideration consists of the following components:

Cash	$	**5,000,000**
Promissory note (Note 7)		**2,300,000**
Common shares (Note 9)		**1,200,000**
Additional cash related to working capital		**755,538**
	$	**9,255,538**

The promissory note bears interest at 4% and matures in four equal payments on the anniversary of closing. The seller note is considered to approximate fair market value upon issuance.

As part of the sale and purchase agreement, there is a earn out clause which would become applicable if the Company was to have earnings above the earn out thresholds. The earn out period ends June 30, 2020. The Company has determined that the event is considered unlikely to occur and, as a result, no amount has been accrued as a contingent loss. The possible earn out payments range from $nil to $1,000,000.

As part of the sale and purchase agreement 400,000 Class A shares of Spark Power Corp. were issues at a fair market value of $3 per share. During the quarter, Orbis contributed $8,524,000 to Company revenues and $328,000 to consolidated net income.

The main factors leading to the recognition of goodwill are the presence of certain intangible assets, such as assembled workforce, which do not qualify for separate recognition, and the fact that additional value is generated through the collective use of the acquired assets rather than individually.

Transaction costs related to the acquisition of the assets were not material and have been expensed in transaction costs in the current year.

NEF

On July 1, 2018, Spark acquired all of the issued and outstanding common shares of New Electric Fresno, LLC ("NEF") in exchange for 104,542 shares of Spark, a cash payment of $1,000,000 USD and a 4-year promissory note of $1,250,000 USD at an interest rate of 6%.

NEF was previously affiliated with New Electric Enterprises Inc., an entity acquired by Spark in 2017. NEF operates in California and its services include electrical contracting, electrical repair, industrial automation and preventative maintenance. The acquisition allows Spark to expand its operations into California.

The following table summarizes the estimated fair value of the consideration transferred and the preliminary estimated fair values of the major classes of assets acquired and liabilities assumed at the acquisition date. The Company may adjust the preliminary purchase price allocation, as necessary, as new information obtained about facts and circumstances that existed as of the closing date.

Unaudited, Presented in Canadian dollars

11. BUSINESS COMBINATIONS (Continued)

Assets acquired		
Accounts receivable	$	1,475,661
Inventory		173,672
Prepaid expenses		38,013
Property, plant and equipment		164,145
Customer relationships		1,373,027
Trade name		737,805
	$	3,962,323
Liabilities Assumed		
Accounts payable and accrued liabilities	$	(611,445)
Deferred taxes		(425,000)
	$	(1,036,445)
Consideration	$	3,535,250
Goodwill	$	609,372

The consideration consists of the following components:

Cash	$	1,315,160
Promissory note (Note 7)		1,643,950
Common shares (Note 9)		328,790
Additional cash related to working capital		247,350
	$	3,535,250

The promissory note bears interest at 6% and matures within 30 days after December 31, 2020. The seller note is considered to approximate fair market value upon issuance.

As part of the sale and purchase agreement, there is a earn out clause which would become applicable if the Company was to have earnings above the earn out thresholds. The earn out period ends December 31, 2020. The Company has determined that the event is considered unlikely to occur and, as a result, no amount has been accrued as a contingent loss. The possible earn out payments range from $nil to $7,500,000USD.

As part of the sale and purchase agreement 82,450 Class A shares of Spark Power Corp. were issued at a fair market value of $3 per share.

The main factors leading to the recognition of goodwill are the presence of certain intangible assets, such as assembled workforce, which do not qualify for separate recognition, and the fact that additional value is generated through the collective use of the acquired assets rather than individually.

Transaction costs related to the acquisition of the assets were not material and have been expensed in transaction costs in the current year. During the quarter, NEF contributed $382,000 to Company revenues and $(367,000) to consolidated net income.

Unaudited, Presented in Canadian dollars

11. BUSINESS COMBINATIONS (Continued)

Bullfrog

On July 1, 2018, the Company acquired 100% of the voting equity of Bullfrog Power Inc. ("Bullfrog"). Bullfrog is Canada's 100% green energy provider, offering a 100% clean, renewable energy choice to Canadians. Each green electricity certificate, green natural gas certificate or green fuel certificate represents the environmental; benefits created as a result of each unit of renewable energy generated or produced. Bullfrog retires all green energy certificates sold on behalf of its customers.

The following table summarizes the estimated fair value of the consideration transferred and the preliminary estimated fair values of the major classes of assets acquired and liabilities assumed at the acquisition date. The Company may adjust the preliminary purchase price allocation, as necessary, as new information obtained about facts and circumstances that existed as of the closing date.

Assets acquired		
Cash	**$**	**353,319**
Short term investment		**100**
Accounts receivable		**3,639,094**
Inventory		**2,245,057**
Prepaid expenses		**533,636**
Property, plant and equipment		**742,283**
Customer relationships		**5,028,000**
Trade name		**2,897,000**
	$	**15,438,489**
Liabilities Assumed		
Accounts payable and accrued liabilities	**$**	**(1,180,383)**
Deferred revenue		**(54,911)**
Lease obligation		**(613,860)**
Deferred taxes		**(2,100,000)**
	$	**(3,949,154)**
Consideration	**$**	**17,804,897**
Goodwill	**$**	**6,315,562**

The consideration consists of the following components:

Cash	**$**	**2,000,000**
Short-term note		**7,835,000**
Promissory note (Note 7)		**6,000,000**
Management Retention Bonuses		**2,250,000**
Cash reduction related to working capital		**(280,103)**
	$	**17,804,897**

The short-term note bears interest at 8% and was repaid during the three months ended September 30, 2018. The short-term note is considered to approximate fair market value upon issuance.

The promissory note bears interest at 6% and the principal amounts shall be repaid $1,000,000 on the first and second anniversary of the note, and $2,000,000 on the third and fourth anniversary of the note.

Unaudited, Presented in Canadian dollars

11. BUSINESS COMBINATIONS (Continued)

The main factors leading to the recognition of goodwill are the presence of certain intangible assets, such as assembled workforce, which do not qualify for separate recognition, and the fact that additional value is generated through the collective use of the acquired assets rather than individually.

Transaction costs related to the acquisition of the assets were not material and have been expensed in transaction costs in the current year. During the quarter, Bullfrog contributed $3,091,000 to Company revenues and $1,188,000 to consolidated net income.

New Electric

On January 1, 2017, the Company acquired certain operating assets of New Electric Enterprises Inc. ("New Electric"). New Electric is an electrical contracting company that provides electrical wiring services to commercial customers in Ontario. New Electric's services include electrical contracting, custom control panels, electronic repair, energy efficiency, industrial automation, and preventive maintenance. The principal reason for the acquisition was to expand the Company's service offering to provide a complete end-to-end electrical services solution to its customer base.

Details of the fair value of the identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

Assets acquired		
Cash	**$**	**1,500**
Accounts receivable		**7,688,880**
Inventory		**1,928,160**
Property, and equipment		**3,128,685**
Other assets		**219,389**
Trade name		**4,729,000**
Software		**1,264,000**
Customer relationships		**17,085,000**
Customer backlog		**252,000**
	$	**36,296,614**
Liabilities assumed		
Accounts payable and accrued liabilities		**(5,001,990)**
Lease liability		**(2,323,362)**
Deferred revenue		**(1,551,209)**
	$	**(8,876,561)**
Consideration	**$**	**41,267,141**
Goodwill	**$**	**13,847,088**

The consideration consists of the following components:

Cash	$ 14,678,661
Promissory note (Note 6)	9,500,000
Assignment of shareholder loans	5,088,480
Shares (Note 8)	12,000,000
	$41,267,141

Unaudited, Presented in Canadian dollars

11. BUSINESS COMBINATIONS (Continued)

The notes bear interest at 6% and mature in 2022. They are considered to approximate fair market value upon issuance. The shareholder loans were repaid in 2017 and are considered to approximate fair market value due to the period of time it was outstanding.

The common shares have a put and call option that can be exercised for a period of thirty days following the delivery of the audited consolidated financial statements of the Company for the period ended December 31, 2017. The closing of the purchase and sale of any common shares pursuant to the exercise of any put or call option shall be completed by December 31, 2018.

The main factors leading to the recognition of goodwill are the presence of certain intangible assets, such as assembled workforce, which do not qualify for separate recognition.

Goodwill and the trade name are deductible for tax purposes.

12. SEGMENTED INFORMATION

			September 30, 2018
	Services	**Solutions**	**Total**
Segment revenues	$ 76,720,018	$ 5,129,778	$ 81,849,796
Segment cost of sales	$ 50,103,047	$ 1,295,205	$ 51,398,252
Segment SG&A expenses	$ 19,783,832	$ 2,833,257	$ 22,617,089
Segment amortization	$ 5,333,995	$ 274,931	$ 5,608,926
Segment profit	$ 6,833,139	$ 1,001,316	$ 7,834,455
Finance expense			(3,473,243)
Increase in value of puttable Class A and Class 1 special shares			(47,771,600)
Transaction cost			(10,269,633)
Excess of fair value over net asset acquired			(12,660,331)
Gain on retraction of class 1 special shares			1,250,000
Other			(29,171)
Total Company loss before taxes			$ (65,119,523)

Unaudited, Presented in Canadian dollars

12. SEGMENTED INFORMATION (Continued)

			September 30, 2017
	Services	**Solutions**	**Total**
Segment revenues	$ 55,203,842	$ 2,664,732	$ 57,868,574
Segment cost of sales	$ 32,677,469	$ 622,682	$ 33,300,151
Segment SG&A expenses	$ 18,253,680	$ 2,801,779	$ 21,055,459
Segment amortization	$ 4,110,620	$ 130,384	$ 4,241,004
Segment profit	$ 4,272,693	$ (759,729)	$ 3,512,964
Finance expense			(3,474,469)
Other			(57,837)
Total Company profit before taxes			$ (19,342)

13. RELATED PARTY TRANSACTIONS

No revenues were earned or expenses incurred from related parties in three and nine months ended September 30, 2018 (2017 - $nil). Included in accounts payable and accrued liabilities is $817,425 owing to a former shareholder of a company acquired in Note 11. Further, there were no other balances due to/from related parties and/or shareholders as at September 30, 2018 (December 31, 2017 - $nil).