



Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three and nine months ended September 30, 2024 and 2023

**National Instrument 51-102
Continuous Disclosure Obligations
Notice**

Pursuant to Part 4.3 (3) of National Instrument 51-102, these unaudited condensed interim consolidated financial statements of Enterprise Group, Inc. for the three and nine months ended September 30, 2024, have not been reviewed by the Company's external auditors.

ENTERPRISE GROUP, INC.

Condensed Interim Consolidated Statements of Financial Position

	September 30, 2024 (unaudited)	December 31, 2023 (audited)
Assets		
Cash and cash equivalents (note 3)	\$ 8,128,441	\$ 3,786,383
Trade and other receivables (note 3)	4,977,932	6,717,934
Unbilled revenue	656,850	742,166
Inventories	387,891	286,654
Deposits and prepaid expenses	1,449,317	1,325,948
	15,600,431	12,859,085
Property, plant and equipment (note 4)	67,131,097	55,532,641
Goodwill	351,910	351,910
Intangible assets	58,500	96,107
Deferred tax assets (note 5)	5,731,413	3,967,001
	73,272,920	59,947,659
Total assets	\$ 88,873,351	\$ 72,806,744
Liabilities		
Trade and other payables (note 3)	\$ 2,053,481	\$ 2,346,091
Current portion of loans and borrowings (note 6)	2,002,394	1,352,278
	4,055,875	3,698,369
Long term portion of loans and borrowings (note 6)		
Bank loan facility	17,215,119	17,649,700
Leases	4,889,497	3,008,102
Mortgages	3,537,802	3,688,448
Deferred tax liabilities (note 5)	5,731,413	3,967,001
Total liabilities	35,429,706	32,011,620
Equity		
Share capital (note 7)	72,809,006	65,320,978
Warrants	733,328	-
Contributed surplus	20,714,155	20,157,336
Deficit	(40,812,844)	(44,683,190)
Total equity	53,443,645	40,795,124
Total equity and liabilities	\$ 88,873,351	\$ 72,806,744

Approved on behalf of the Board:

_____(Signed) "Leonard D. Jaroszuk" Leonard D. Jaroszuk Director

_____(Signed) "John Pinsent" John Pinsent, FCPA, FCA, ICD.D. Director

Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income

	Three months September 30, 2024	Three months September 30, 2023	Nine months September 30, 2024	Nine months September 30, 2023
Revenue	\$ 6,801,309	\$ 8,433,369	\$ 26,834,878	\$ 23,901,556
Direct expenses	(4,279,992)	(4,554,438)	(14,098,882)	(13,243,779)
Gross margin	2,521,317	3,878,931	12,735,996	10,657,777
General and administrative expenses	(713,453)	(476,342)	(1,938,585)	(1,746,633)
Depreciation of property, plant and equipment (note 4)	(836,710)	(1,173,639)	(3,378,128)	(3,254,607)
Depreciation of right-of-use assets (note 4)	(410,447)	(126,992)	(1,137,334)	(361,325)
Share-based payments (note 8)	(102,139)	(74,204)	(220,146)	(297,561)
Amortization of intangible assets	(12,536)	(12,536)	(37,607)	(37,786)
Gain (loss) on sale of property, plant and equipment (note 4)	42,501	80,625	(50,654)	225,549
Income before financing and taxes	488,533	2,095,843	5,973,542	5,185,414
Finance expense	(686,125)	(456,695)	(2,103,196)	(1,270,670)
(Loss) income before income tax	(197,592)	1,639,148	3,870,346	3,914,744
Income tax expense (note 5)	-	-	-	-
Net (loss) income and comprehensive (loss) income	\$ (197,592)	\$ 1,639,148	\$ 3,870,346	\$ 3,914,744
Income per share (note 9)				
Basic earnings per share	\$ 0.00	\$ 0.03	\$ 0.07	\$ 0.08
Diluted earnings per share	\$ 0.00	\$ 0.03	\$ 0.06	\$ 0.08

ENTERPRISE GROUP, INC.

Condensed Interim Consolidated Statements of Cash Flows

	Nine months September 30, 2024	Nine months September 30, 2023
Cash flows from operating activities:		
Net income	\$ 3,870,346	\$ 3,914,744
Adjustments for:		
Depreciation of property, plant and equipment	3,378,128	3,254,607
Depreciation of right-of-use assets	1,137,334	361,325
Amortization of intangible assets	37,607	37,786
Loss (gain) on sale of property, plant and equipment	48,055	(194,598)
Share based payments	220,146	297,561
Finance expense	2,103,196	1,270,670
Change in non-cash working capital (note 11)	1,308,102	1,628,515
Net cash provided by operating activities	\$ 12,102,914	\$ 10,570,610
Cash flows from financing activities:		
Net (repayment) proceeds of bank loan facility	(523,318)	2,115,613
Interest and borrowing costs paid on loans and borrowings	(2,000,279)	(1,147,545)
Repayment of lease liabilities	(1,411,882)	(777,852)
Repayment of mortgage facilities	(152,043)	(84,675)
Issuance of common shares (note 8)	6,999,197	-
Share issuance cost	(693,562)	-
Broker unit options exercised	442,215	-
Share buyback and cancellation (note 7)	-	(512,085)
Stock options exercised	387,387	-
Warrants exercised	1,422,790	-
Net cash provided (used) in financing activities	\$ 4,470,505	\$ (406,544)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(13,113,612)	(10,421,593)
Proceeds on sale of property, plant and equipment	882,251	773,261
Net cash used in investing activities	\$ (12,231,361)	\$ (9,648,332)
Change in cash and cash equivalents	\$ 4,342,058	\$ 515,734
Cash and cash equivalents, beginning of period	\$ 3,786,383	\$ 1,061,698
Cash and cash equivalents, end of period	\$ 8,128,441	\$ 1,577,432

Condensed Interim Consolidated Statements of Changes in Equity

	Number of common shares	Share capital	Warrants	Contributed surplus	Deficit	Total
Balance as at December 31, 2022	50,965,874	\$67,002,456	-	\$18,636,671	\$(50,853,094)	\$34,786,033
Common shares repurchased and cancelled	(1,278,500)	(1,681,478)	-	1,169,393	-	(512,085)
Share-based payments	-	-	-	297,561	-	297,561
Net income	-	-	-	-	3,914,744	3,914,744
Balance as at September 30, 2023	49,687,374	\$65,320,978	-	\$20,103,625	\$(46,938,350)	\$38,486,253
Balance as at December 31, 2023	49,687,374	\$65,320,978	\$-	\$20,157,336	\$(44,683,190)	\$40,795,124
Issuance of commons shares (note 8)	8,234,350	6,113,181	886,016	-	-	6,999,197
Share issue costs, net of tax (note 8)	-	(863,173)	169,611	-	-	(693,562)
Warrants exercised	1,991,736	1,745,091	(322,299)	442,215	-	1,865,007
Stock options exercised	860,861	492,929	-	(105,542)	-	387,387
Share-based payments	-	-	-	220,146	-	220,146
Net income	-	-	-	-	3,870,346	3,870,346
Balance as at September 30, 2024	60,774,321	\$72,809,006	\$733,328	\$20,714,155	\$(40,812,844)	\$53,443,645

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

1. Reporting entity

Enterprise Group, Inc. ("Enterprise" or the "Company") is a public company incorporated under the Alberta Business Corporations Act and its shares are listed on the Toronto Stock Exchange under the symbol "E". The Company's shares are also listed on the OTCQB Venture Market under the symbol "ETOLF". Enterprise, a consolidator of energy services (including specialized equipment rental to the energy/resource sector), emphasizes technologies that mitigate, reduce, or eliminate CO2 and Green House Gas (GHG) emissions for small local and Tier One resource clients. Enterprise's head office is located at #2, 64 Riel Drive, St. Albert, Alberta, T8N 4A4.

The consolidated financial statements of the Company as at September 30, 2024, and 2023, are comprised of the Company and its wholly owned subsidiaries. These consolidated financial statements were authorized for issue by the Board of Directors on November 6, 2024.

2. Significant accounting policies

The unaudited condensed interim consolidated financial statements are prepared by management and reported in Canadian dollars, in accordance with International Accounting Standard "IAS" 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's 2023 Audited Consolidated Financial Statements and the notes thereto.

The unaudited condensed interim consolidated financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in the Company's Audited Consolidated Financial Statements for the fiscal year ended December 31, 2023.

3. Financial instruments and risk management

(a) Fair value of financial instruments

The carrying value of trade and other receivables, deposits and trade and other payables approximate fair value because of the near term to maturity of these instruments. The fair value of loans and borrowings is a level 2 measurement and are based on discounted future cash flows using the rates that reflect observable current market rates for similar instruments with similar terms and conditions. The estimated fair value approximates the carrying value as at September 30, 2024, and as at December 31, 2023.

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	September 30, 2024	December 31, 2023
<u>Financial assets</u>		
Cash and cash equivalents	\$ 8,128,441	\$ 3,786,383
Trade and other receivables	\$ 4,977,932	\$ 6,717,934
Deposits	\$ 210,427	\$ 853,231
<u>Financial liabilities</u>		
Trade and other payables	\$ 2,053,481	\$ 2,346,091
Loans and borrowings	\$ 27,644,812	\$ 25,698,528

Financial risk management

The Company's activities expose it to a variety of financial risks such as credit risk, liquidity risk and market risk. The Board of Directors oversees management's establishment and execution of the Company's risk management framework.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk through cash and cash equivalents and trade and other receivables. The Company manages the credit risk associated with its cash and cash equivalents by holding its funds in financial institutions with high credit ratings. Credit risk for trade and other receivables are managed through established credit monitoring activities.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

The Company has trade receivables from customers in the oil and gas industry, as well as customers in the utilities/infrastructure construction industry. Credit risk is mitigated due to significant customers being large industry leaders, following a program of credit evaluation and limiting the amount of customer credit where deemed necessary. The Company monitors trade receivables against an expected credit loss model to assess reasonability of impairment over accounts receivable. Individual invoices within trade receivables are written off when there is no reasonable expectation of collecting payment. The Company has recorded a provision for doubtful accounts at September 30, 2024, of \$nil (December 31, 2023 - \$nil).

At September 30, 2024, \$2,022,000 or 41% of trade receivables was from two customers compared to \$3,112,000, or 46% from two customers as at December 31, 2023.

	September 30, 2024	December 31, 2023
Current (less than 90 days)	\$ 4,931,926	\$ 6,686,413
Past due (more than 90 days)	46,006	31,521
Total	\$ 4,977,932	\$ 6,717,934

(c) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations. On an ongoing basis the Company manages liquidity risk by maintaining adequate cash and cash equivalents balances and appropriately utilizing available lines of credit. For the three months ended September 30, 2024, the Company generated 44% of revenue from two customers (2023 - 44% from two customers). For the nine months ended September 30, 2024, the Company generated 42% of revenue from two customers (2023 - 32% from two customers). No other customers comprise more than 10% of revenues.

The following are undiscounted contractual maturities of financial liabilities, including estimated interest at September 30, 2024, and December 31, 2023:

September 30, 2024	Carrying amount	Contractual cash flows	Due within one year	Two-five years	More than five years
Trade and other payables	\$ 2,053,481	\$ 2,053,481	\$ 2,053,481	\$ -	-
Loans and borrowings	27,644,812	32,835,931	4,371,957	26,611,733	1,852,241
	\$ 29,698,293	\$ 34,889,412	\$ 6,425,438	\$ 26,611,733	\$ 1,852,241
December 31, 2023	Carrying amount	Contractual cash flows	Due within one year	Two-five years	More than five years
Trade and other payables	\$ 2,346,091	\$ 2,346,091	\$ 2,346,091	\$ -	-
Loans and borrowings	25,698,528	31,789,597	3,835,733	26,018,741	1,935,123
	\$ 28,044,619	\$ 34,135,688	\$ 6,181,824	\$ 26,018,741	\$ 1,935,123

(d) **Market risk**

Market risk is the risk of changes in market prices, such as interest rates, which will affect the Company's income or the value of its financial instruments. Management has assessed the effect of a 1% interest rate increase or decrease in the prime lending rate at September 30, 2024, to impact the Company's annual interest expense by approximately \$38,000 (December 31, 2023 - \$39,000). The majority of the Company's debt is at fixed interest rates and changes in market prices do not have a significant impact. The Company has not entered into any derivative agreements to mitigate this risk.

Capital management

The primary objective of capital management is to ensure the Company has sufficient capital to support its business and maximize shareholder value. The Company manages its capital in proportion to the risk of the underlying assets and makes adjustments in light of changes in economic conditions and risks. The Company's strategy remains unchanged from prior periods. Management considers its capital structure to include funded debt and adjusted capital of the Company. Adjusted capital comprises all components of equity (share capital, contributed surplus, and deficit). Included in funded debt is the bank loan facility which requires the Company to maintain certain financial covenants as defined below. The Company's objectives when managing capital are to finance its operations and growth strategies and to provide an adequate return to its shareholders. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt. As at September 30, 2024, the Company has met these objectives.

Notes to Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023

	September 30, 2024	December 31, 2023
Bank loan facility	\$ 17,215,119	\$ 17,649,700
Current portion of loans and borrowings	2,002,394	1,352,278
Long term loans and borrowings	8,427,299	6,696,550
Net funded debt	27,644,812	25,698,528
Shareholders' equity	53,443,645	40,795,124
Total capital	\$ 81,088,457	\$ 66,493,652

Included in net funded debt is the bank loan facility which requires the Company to maintain certain financial covenants.

The bank loan facility is subject to financial covenants based on forecasted revenue, EBITDA, and tangible net worth. As at September 30, 2024, the Company is compliance with the required covenants.

4. Property, plant and equipment

Cost	Balance at December 31, 2023	Additions	Disposals	Reclass	Balance at September 30, 2024
Land	\$ 6,770,000	\$ -	\$ -	\$ -	\$ 6,770,000
Buildings	1,516,912	52,344	-	-	1,569,256
Leasehold improvements	291,325	3,837	-	-	295,162
Computers and communication equipment	300,677	30,130	-	1,301	332,108
Small equipment	2,247,701	280,151	(759)	460,183	2,987,276
Light automotive equipment	588,645	323,675	(4,000)	(338,675)	569,645
Heavy automotive, construction and portable rental equipment	78,247,990	7,290,415	(1,494,340)	842,678	84,886,743
Right-of-use assets	7,564,410	3,538,536	(111,559)	338,675	11,330,062
Property, plant and equipment under construction	1,462,540	5,472,209	-	(1,304,162)	5,630,587
	\$ 98,990,200	\$ 16,991,297	\$ (1,610,658)	\$ -	\$ 114,370,839

	Accumulated depreciation			Carrying amounts		
	Balance at December 31, 2023	Depreciation for the year	Disposals	Balance at September 30, 2024	Balance at December 31, 2023	Balance at September 30, 2024
Land	\$ -	\$ -	\$ -	\$ -	\$ 6,770,000	\$ 6,770,000
Buildings	136,628	16,854	-	153,482	1,380,284	1,415,774
Leasehold improvements	260,619	8,038	-	268,657	30,706	26,505
Computers and communication equipment	258,530	23,250	-	281,780	42,147	50,328
Small equipment	1,038,473	319,283	(759)	1,356,997	1,209,228	1,630,279
Light automotive equipment	482,359	36,025	(4,000)	514,384	106,286	55,261
Heavy automotive, construction and portable rental equipment	38,946,414	2,974,678	(666,162)	41,254,930	39,301,576	43,631,813
Right-of-use assets	2,334,536	1,137,334	(62,358)	3,409,512	5,229,874	7,920,550
Property, plant and equipment under construction	-	-	-	-	1,462,540	5,630,587
	\$ 43,457,559	\$ 4,515,462	\$ (733,279)	\$ 47,239,742	\$ 55,532,641	\$ 67,131,097

Included in the carrying amount of \$67,131,097 is \$1,247,622 (2023 - \$1,462,540) of heavy automotive, construction and portable rental equipment under construction, and \$4,382,965 of building costs for the construction of new facility in Fort St. John. All items under construction are not being depreciated, as they are not yet available for use.

The carrying amounts of right-of-use assets were as follows:

Right-of-use assets	September 30, 2024	December 31, 2023
Buildings and premises,	\$ 1,730,446	\$ 1,211,259
Small equipment	38,482	31,328
Light automotive equipment	3,552,478	2,477,772
Heavy automotive, construction and portable rental equipment	2,599,144	1,509,515
	\$ 7,920,550	\$ 5,229,874

Notes to Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023

For the three months ended September 30, 2024, rent expense for short-term leases and leases of low-value assets was \$176,152 (2023 - \$170,767). Rent expense for short-term leases and leases of low-value assets expensed for the nine months ended September 30, 2024, was \$577,656 (2023 - \$559,183). At September 30, 2024, the Company was committed to short term leases and the total commitment at that date was \$137,590 (2023 - \$136,857).

For the nine months ended September 30, 2024, the Company sold property, plant and equipment with a net book value of \$877,379 and received proceeds of \$882,251 (2023 - net book value of \$578,662 and proceeds of \$773,261). The loss on sale of property, plant and equipment of \$50,654 included sales related costs of \$13,957 (2023 - gain on sale of \$225,549 including sales related costs of \$30,949).

5. Income tax

The actual income tax provision differs from the expected amount calculated by applying the Canadian combined provincial and federal income tax rates to income before tax. These differences result from the following:

Year ended September 30,	2024	2023
Income before tax	\$ 3,870,346	\$ 3,914,744
Statutory income tax rate	23.00 %	23.00 %
Expected income tax expense	890,179	900,392
Non-deductible items	58,673	74,296
Change in unrecognized temporary differences	(1,013,996)	(974,688)
Change in tax rates and rate differences	65,144	-
Other	-	-
Income tax expense	\$ -	\$ -

6. Loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortized cost.

	September 30, 2024	December 31, 2023
Current portion of loans and borrowings		
Current portion of lease liabilities	\$ 1,784,807	\$ 1,147,474
Current portion of mortgage facilities	217,587	204,804
Total current portion of loans and borrowings	2,002,394	1,352,278
Non-current portion of loans and borrowings		
Bank loan facility	17,215,119	17,649,700
Lease liabilities	4,889,497	3,008,102
Mortgage facilities	3,537,802	3,688,448
Total non-current portion loans and borrowings	25,642,418	24,346,250
Total loans and borrowings	\$ 27,644,812	\$ 25,698,528

Effective August 1, 2024, the Company extended its existing bank loan facility. The term was extended for one year to September 30, 2026, with an option to extend for an additional year. All other terms and conditions of the facility remain the same.

7. Share capital

Authorized:

- Unlimited Common shares
- Unlimited Preferred shares, issuable in series, terms to be set at issuance

Normal course issuer bid

During the three and nine months ended September 30, 2024, the Company did not repurchase or cancel shares (2023 - 1,278,500 shares at a cost of \$512,085). Shares can be purchased in the open market in accordance with the normal course issuer bid approved by the TSX. The Company's repurchase program terminated on August 29, 2024.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

8. Share-based payments

(a) Stock option program

The Company has a stock option plan to purchase common shares over a period ranging from one to three years from the date the option is granted at prices approximating market prices on the day prior to the date of grant.

Outstanding stock options September 30, 2024	Number	Weighted average exercise price	Weighted average remaining contractual life (months)
Stock options, beginning of year	5,100,000	\$ 0.45	14
Exercised	(860,861)	\$ 0.45	14
Issued	900,000	\$ 1.16	32
Stock options, end of period	5,139,139	\$ 0.57	17
Exercisable stock options, September 30, 2024	2,355,806	\$ 0.57	17

During the nine months ended September 30, 2024, 860,861 options were exercised at a weighted average exercise price of \$0.45 per option, resulting in net proceeds of \$387,387.

(b) Share purchase warrants

Outstanding share purchase warrants September 30, 2024	Number	Weighted average exercise price	Weighted average remaining contractual life (months)
Warrants, beginning of year	-	\$ -	-
Issued - common share issuance	4,117,175	\$ 0.95	18
Exercised	(1,497,675)	\$ 0.95	18
Warrants, outstanding, end of period	2,619,500	\$ 0.95	18
Exercisable warrants, September 30, 2024	2,619,500	\$ 0.95	18

During the nine months ended September 30, 2024, 1,497,675 warrants were exercised at a weighted average exercise price of \$0.95 per warrant resulting in net proceeds of \$1,422,790.

Outstanding broker unit options and warrants September 30, 2024	Number	Weighted average exercise price	Weighted average remaining contractual life (months)
Broker unit options and warrants, beginning of year	-	\$ -	-
Issued - broker unit options	494,061	\$ 0.89	18
Issued - broker warrants	247,031	\$ 0.95	18
Broker unit options exercised	(494,061)	\$ 0.89	-
Broker warrants, outstanding, end of period	247,031	\$ 0.95	18
Exercisable broker warrants, September 30, 2024	247,031	\$ 0.95	18

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

During the nine months ended September 30, 2024, 494,061 broker unit options were exercised at a weighted average exercise price of \$0.89 per broker unit option resulting in net proceeds of \$442,215, common shares 494,061 issued, and broker warrants of 247,031 issued.

9. Earnings (loss) per share

The earnings available to common shareholders and weighted average number of common shares outstanding for comparative basic and diluted earnings per share are:

Nine months ended September 30,	Three months September 30, 2024	Three months September 30, 2023	Nine months September 30, 2024	Nine months September 30, 2023
Weighted average common shares outstanding - basic	59,432,820	49,693,162	56,616,251	50,142,608
Effect of stock options	5,222,337	1,416,667	5,222,337	1,416,667
Weighted average common shares - diluted	64,655,157	51,109,829	61,838,588	51,559,275
Net (loss) income and comprehensive (loss) income	\$(197,592)	\$1,639,148	\$3,870,346	\$3,914,744
Basic earnings (loss) per share	\$ 0.00	\$ 0.03	\$0.07	\$0.08
Diluted earnings (loss) per share	\$ 0.00	\$ 0.03	\$0.06	\$0.08

10. Related party transactions

The Company has entered into transactions in the normal course of business with corporations controlled by officers and a director of the Company. These transactions were recorded at the exchange amount established and agreed to by the parties. Management and consulting fees were paid to companies controlled by Leonard Jaroszuk, Chief Executive Officer, and Warren Cabral, Chief Financial Officer, as compensation for serving in their roles as director and officers for the Company.

Nine months ended September 30,	2024	2023
Management and consulting fees	\$730,815	\$593,187

11. Supplemental cash flow information

Nine months September 30,	2024	2023
(a) Changes in non-cash working capital:		
Trade and other receivables	\$ 1,740,002	\$ 1,158,158
Unbilled revenue	85,316	(508,538)
Inventories	(101,237)	79,258
Deposits and prepaid expenses	(123,369)	(735,799)
Trade and other payables	(292,610)	1,635,436
	\$ 1,308,102	\$ 1,628,515
(b) Other non-cash transactions:		
Purchases under lease liabilities	\$ 3,538,536	\$ 1,729,019
Amortization of prepaid borrowing costs	\$ 107,933	\$ 123,124

(c) Cash taxes paid

Cash taxes paid for the year ended September 30, 2024, was \$nil (2023 - \$nil).