

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 29, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-35849

NV5 Global, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

200 South Park Road, Suite 350

Hollywood, Florida

(Address of principal executive offices)

45-3458017

(I.R.S. Employer Identification No.)

33021

(Zip Code)

(954) 495-2112

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	NVEE	The NASDAQ Stock Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated Filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 6, 2019, there were 12,769,832 shares outstanding of the registrant's common stock, \$0.01 par value.

**NV5 GLOBAL, INC.
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PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS.NV5 Global, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in thousands, except share data)

	June 29, 2019	December 29, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 44,436	\$ 40,739
Billed receivables, net	97,593	98,324
Unbilled receivables, net	49,808	43,411
Prepaid expenses and other current assets	12,215	2,582
Total current assets	204,052	185,056
Property and equipment, net	12,129	11,677
Right-of-use lease asset, net	35,566	—
Intangible assets, net	98,941	99,756
Goodwill	151,788	140,930
Other assets	1,971	2,002
Total Assets	<u>\$ 504,447</u>	<u>\$ 439,421</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 19,612	\$ 22,588
Accrued liabilities	35,565	20,853
Income taxes payable	360	2,697
Billings in excess of costs and estimated earnings on uncompleted contracts	2,243	7,625
Client deposits	256	208
Current portion of contingent consideration	1,895	1,845
Current portion of notes payable and other obligations	16,687	17,139
Total current liabilities	76,618	72,955
Contingent consideration, less current portion	2,195	2,853
Long-term lease liability	27,736	—
Notes payable and other obligations, less current portion	40,189	29,847
Deferred income tax liabilities, net	18,708	16,224
Total liabilities	<u>165,446</u>	<u>121,879</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.01 par value; 45,000,000 shares authorized, 12,657,841 and 12,550,711 shares issued and outstanding as of June 29, 2019 and December 29, 2018, respectively	127	126
Additional paid-in capital	243,646	236,525
Retained earnings	95,228	80,891
Total stockholders' equity	339,001	317,542
Total liabilities and stockholders' equity	<u>\$ 504,447</u>	<u>\$ 439,421</u>

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME
(UNAUDITED)
(in thousands, except share data)

	Three Months Ended		Six Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Gross revenues	\$ 127,974	\$ 104,018	\$ 245,309	\$ 198,552
Direct costs (excluding depreciation and amortization):				
Salaries and wages	38,080	33,546	73,337	64,067
Sub-consultant services	20,044	14,900	36,996	28,360
Other direct costs	8,410	4,870	18,106	8,792
Total direct costs	66,534	53,316	128,439	101,219
Gross Profit	61,440	50,702	116,870	97,333
Operating Expenses:				
Salaries and wages, payroll taxes and benefits	30,765	25,767	60,004	51,225
General and administrative	10,896	8,258	19,758	15,792
Facilities and facilities related	3,937	3,520	7,743	7,062
Depreciation and amortization	6,245	3,807	12,357	7,603
Total operating expenses	51,843	41,352	99,862	81,682
Income from operations	9,597	9,350	17,008	15,651
Interest expense	(457)	(650)	(808)	(1,261)
Income before income tax expense	9,140	8,700	16,200	14,390
Income tax expense	(346)	(1,080)	(1,863)	(2,478)
Net Income and Comprehensive Income	\$ 8,794	\$ 7,620	\$ 14,337	\$ 11,912
Earnings per share:				
Basic	\$ 0.73	\$ 0.73	\$ 1.19	\$ 1.15
Diluted	\$ 0.70	\$ 0.69	\$ 1.15	\$ 1.09
Weighted average common shares outstanding:				
Basic	12,106,066	10,496,524	12,033,906	10,395,874
Diluted	12,521,463	11,004,212	12,447,248	10,953,259

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)
(in thousands, except share data)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total
	Shares	Amount			
Balance, March 31, 2018	10,991,107	\$ 110	\$ 128,585	\$ 58,327	\$ 187,022
Stock compensation	—	—	1,503	—	1,503
Restricted stock issuance, net	110,732	—	—	—	—
Stock issuance for acquisitions	27,243	1	1,658	—	1,659
Net income	—	—	—	7,620	7,620
Balance, June 30, 2018	11,129,082	\$ 111	\$ 131,746	\$ 65,947	\$ 197,804
Balance, March 30, 2019	12,565,115	\$ 126	\$ 239,611	\$ 86,434	\$ 326,171
Stock compensation	—	—	2,369	—	2,369
Restricted stock issuance, net	66,874	1	(1)	—	—
Stock issuance for acquisitions	25,852	—	1,667	—	1,667
Payment of contingent consideration with common stock	—	—	—	—	—
Net income	—	—	—	8,794	8,794
Balance, June 29, 2019	12,657,841	\$ 127	\$ 243,646	\$ 95,228	\$ 339,001

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total
	Shares	Amount			
Balance, December 30, 2017	10,834,770	\$ 108	\$ 125,954	\$ 54,035	\$ 180,097
Stock compensation	—	—	2,639	—	2,639
Restricted stock issuance, net	118,446	1	(1)	—	—
Stock issuance for acquisitions	35,866	1	2,063	—	2,064
Proceeds from exercise of warrants, net of costs	140,000	1	1,091	—	1,092
Net income	—	—	—	11,912	11,912
Balance, June 30, 2018	11,129,082	\$ 111	\$ 131,746	\$ 65,947	\$ 197,804
Balance, December 29, 2018	12,550,711	\$ 126	\$ 236,525	\$ 80,891	\$ 317,542
Stock compensation	—	—	4,167	—	4,167
Restricted stock issuance, net	60,124	1	(1)	—	—
Stock issuance for acquisitions	35,821	—	2,230	—	2,230
Payment of contingent consideration with common stock	11,185	—	725	—	725
Net income	—	—	—	14,337	14,337
Balance, June 29, 2019	12,657,841	\$ 127	\$ 243,646	\$ 95,228	\$ 339,001

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Six Months Ended	
	June 29, 2019	June 30, 2018
Cash Flows From Operating Activities:		
Net income	\$ 14,337	\$ 11,912
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,357	7,603
Non-cash lease expense	4,251	—
Provision for doubtful accounts	1,456	831
Stock based compensation	4,167	2,639
Change in fair value of contingent consideration	49	107
Gain on disposals of property and equipment	(48)	—
Deferred income taxes	477	521
Changes in operating assets and liabilities, net of impact of acquisitions:		
Billed receivables	5,511	(7,834)
Unbilled receivables	(5,188)	(1,796)
Prepaid expenses and other assets	(9,413)	253
Accounts payable	(3,816)	1,157
Accrued liabilities	968	2,700
Income taxes payable	(2,338)	(7,869)
Billings in excess of costs and estimated earnings on uncompleted contracts	(5,383)	602
Deposits	47	11
Net cash provided by operating activities	<u>17,434</u>	<u>10,837</u>
Cash Flows From Investing Activities:		
Cash paid for acquisitions (net of cash received from acquisitions)	(14,160)	(3,473)
Purchase of property and equipment	(1,626)	(1,462)
Net cash used in investing activities	<u>(15,786)</u>	<u>(4,935)</u>
Cash Flows From Financing Activities:		
Borrowings from Senior Credit Facility	10,000	—
Payments on notes payable	(6,738)	(6,482)
Payments of contingent consideration	(1,213)	(728)
Proceeds from exercise of unit warrant	—	1,092
Payments of borrowings from Senior Credit Facility	—	(2,500)
Net cash provided by (used in) financing activities	<u>2,049</u>	<u>(8,618)</u>
Net increase (decrease) in Cash and Cash Equivalents		
	3,697	(2,716)
Cash and cash equivalents – beginning of period	40,739	18,751
Cash and cash equivalents – end of period	<u>\$ 44,436</u>	<u>\$ 16,035</u>

See accompanying notes to consolidated financial statements (unaudited).

NV5 Global, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(in thousands, except share data)

Note 1 - Organization and Nature of Business Operations

Business

NV5 Global, Inc. and its subsidiaries (collectively, the “Company,” “NV5 Global,” “our,” “we”) is a provider of professional and technical engineering and consulting solutions to public and private sector clients in the infrastructure, energy, construction, real estate and environmental markets, operating nationwide and abroad. The Company’s clients include the U.S. federal, state and local governments, and the private sector. NV5 Global provides a wide range of services, including, but not limited to:

- Infrastructure, engineering and support
- Construction quality assurance, testing and inspection
- Program management
- Energy
- Environmental
- Planning
- Design
- Consulting
- Management oversight
- Permitting
- Inspection and field supervision
- Testing inspection and certification
- Forensic engineering
- Litigation support
- Condition assessment
- Compliance certification

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements of the Company are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”) and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for reporting of interim financial information. Pursuant to such rules and regulations, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

In the opinion of management, the accompanying unaudited interim consolidated financial statements of the Company contain all adjustments necessary to present fairly the financial position and results of operations of the Company as of the dates and for the periods presented. Accordingly, these statements should be read in conjunction with the consolidated financial statements and notes contained in the Company’s Annual Report on Form 10-K for the year ended December 29, 2018 (the “2018 Form 10-K”). The results of operations and cash flows for the interim periods presented are not necessarily indicative of the results to be expected for any future interim period or for the full 2019 fiscal year.

There have been no significant changes, other than those related to the adopted new accounting standards below, in the Company’s accounting policies from those disclosed in our 2018 Form 10-K.

Adoption of New Accounting Standards

Leases

We adopted ASU No. 2016-2, *Leases* (Topic 842), as of the first day of the fiscal year 2019 using the modified retrospective approach and elected not to adjust comparative periods. In addition, we elected the package of practical expedients permitted under the transition guidance within the new standard, which permits us not to reassess under the new standard our prior conclusions about lease identification, lease classification and the initial direct costs. We elected the practical expedient to keep leases with an initial term of 12 months or less off the balance sheet and the practical expedient to account for non-lease components in a contract as part of a single lease component. Lease payments are recognized in the Consolidated Statements of Operations on a straight-line basis over the lease term. Adoption of the new standard resulted in the recording of additional right-of-use lease assets and lease liabilities of \$34,186 and \$34,965, respectively, as of the first day of the fiscal year 2019. The standard did not materially impact our consolidated net earnings and had no impact on cash flows. Additionally, there was no cumulative effect of adoption on retained earnings in the Statement of Changes in Stockholders' Equity.

NV5 Global, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(in thousands, except share data)

Revenue Recognition

On the first day of fiscal year 2018, we adopted ASC Topic 606, *Revenue from Contracts with Customers* (“Topic 606”), using the modified retrospective approach to all contracts that were not completed as of the beginning of fiscal year 2018. We utilize the portfolio method practical expedient, which allows companies to account for multiple contracts as a portfolio, instead of accounting for them on a contract by contract basis (commonly known as the contract method). For our time and materials contracts, we apply the as-invoiced practical expedient, which permits us to recognize revenue as the right to invoice for services performed. The new standard did not materially affect our consolidated net income, financial position, or cash flows.

Performance Obligations

Some of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and therefore, is not distinct. However, in some instances, we may also promise to provide distinct goods or services within a contract, resulting in multiple performance obligations. For contracts with multiple performance obligations, we allocate the contract transaction price to each performance obligation using the best estimate of the standalone selling price of each distinct good or service in the contract. Typically, we sell a customer a specific service and use the expected cost plus a margin approach to estimate the standalone selling price of each performance obligation.

The Company’s performance obligations are satisfied as work progresses or at a point in time. Revenue on our cost-reimbursable contracts is recognized over time using direct costs incurred or direct costs incurred to date as compared to the estimated total direct costs for performance obligations because it best depicts the transfer of control to the customer. Contract costs include labor, subcontractors’ costs and other direct costs.

Gross revenue from services transferred to customers at a point in time is recognized when the customer obtains control of the asset, which is generally upon delivery and acceptance by the customer of the reports and/or analysis performed.

As of June 29, 2019, we had \$563,797 of remaining performance obligations, or backlog, of which \$450,889 or 80% is expected to be recognized over the next 12 months and the majority of the balance over the next 24 months. Contracts for which work authorizations have been received are included in backlog. Project cancellations or scope adjustments may occur, from time to time, with respect to contracts reflected in backlog. Most of our government contracts are multi-year contracts for which funding is appropriated on an annual basis, therefore backlog includes only those amounts that have been funded and authorized and does not reflect the full amounts we may receive over the term of such contracts. In the case of non-government contracts, backlog includes future revenue at contract rates, excluding contract renewals or extensions that are at the discretion of the client. For contracts with a not-to-exceed maximum amount, we include revenue from such contracts in backlog to the extent of the remaining estimated amount. Our backlog for the period beyond 12 months may be subject to variation from year-to-year as existing contracts are completed, delayed, or renewed or new contracts are awarded, delayed, or cancelled. As a result, we believe that year-to-year comparisons of the portion of backlog expected to be performed more than one year in the future are difficult to assess and not necessarily indicative of future revenues or profitability.

Contract Assets and Liabilities

The timing of revenue recognition, billings and cash collections results in billed receivables, unbilled receivables (contract assets), and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the Consolidated Balance Sheet. The liability “Billings in excess of costs and estimated earnings on uncompleted contracts” represents billings in excess of revenues recognized on these contracts as of the reporting date. This liability is generally classified as current. Revenue recognized that was included in the contract liability balance at the beginning of the fiscal year was \$2,013 and \$6,435 for the three and six months ended June 29, 2019, respectively and \$19 and \$212 for the three and six months ended June 30, 2018, respectively.

Note 3 – Recent Accounting Pronouncements

In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350) Simplifying the Test for Goodwill Impairment*. This ASU eliminates Step 2 of the goodwill impairment test and simplifies how the amount of an impairment loss is determined. The update is effective for public companies in the beginning of fiscal year 2020 and will be applied on a prospective basis. We will adopt this ASU at the beginning of fiscal year 2020. We do not expect the impact of this ASU to be material to our consolidated financial statements.

NV5 Global, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(in thousands, except share data)

Note 4 – Earnings per Share

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company. The effect of potentially dilutive securities is not considered during periods of loss or if the effect is anti-dilutive.

The weighted average number of shares outstanding in calculating basic earnings per share for the six months ended June 29, 2019 and June 30, 2018 exclude 480,694 and 573,378 non-vested restricted shares, respectively. There were no potentially anti-dilutive securities during the three and six months ended June 29, 2019 and June 30, 2018.

The following table represents a reconciliation of the net income and weighted average shares outstanding for the calculation of basic and diluted earnings per share:

	Three Months Ended		Six Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Numerator:				
Net income – basic and diluted	\$ 8,794	\$ 7,620	\$ 14,337	\$ 11,912
Denominator:				
Basic weighted average shares outstanding	12,106,066	10,496,524	12,033,906	10,395,874
Effect of dilutive non-vested restricted shares and units	351,110	421,760	334,029	404,240
Effect of issuable shares related to acquisitions	64,287	85,928	79,313	101,340
Effect of warrants	—	—	—	51,805
Diluted weighted average shares outstanding	12,521,463	11,004,212	12,447,248	10,953,259

Warrant exercise

In conjunction with our initial public offering on March 26, 2013, the underwriter received a warrant to acquire up to 140,000 units (“Unit Warrant”). On March 23, 2016, the underwriter paid us \$1,008 to exercise the Unit Warrant. Each of the units delivered upon exercise consisted of one share of our common stock and one warrant to purchase one share of our common stock at an exercise price of \$7.80 per share (“Warrant”), which warrant expired on March 27, 2018. On March 19, 2018, the underwriter paid us \$1,092 to exercise the Warrant. On March 21, 2018, we delivered 140,000 shares of common stock to the underwriter.

Note 5 – Business Acquisitions**2019 Acquisitions**

On June 3, 2019, the Company acquired Alta Environmental, L.P. (“Alta”), a consulting firm specializing in air quality, environmental building sciences, water resources, site assessment and remediation as well as environmental health and safety compliance services. The aggregate purchase price is up to \$6,500, including \$4,000 of cash and \$2,000 in promissory note (bearing interest at 4%), payable in four equal installments of \$500 due on the first, second, third and fourth anniversaries of June 3, 2019. Further, the purchase price includes a \$500 earn-out of cash, which was recorded at an estimated fair value of \$485. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for Alta, the Company engaged a third-party independent valuation specialist to assist in the determination of fair values. The Company expects to finalize the purchase price allocation with respect to this transaction by the end of the fourth quarter 2019.

NV5 Global, Inc. and Subsidiaries
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(in thousands, except share data)

On June 3, 2019, the Company acquired Page One Consultants (“Page One”), a program management and construction quality assurance firm based in Orlando, Florida. The aggregate purchase price is up to \$3,900, including \$2,000 of cash, \$1,000 in promissory note (bearing interest at 3%), payable in three equal installments of \$333 due on the first, second and third anniversaries of June 3, 2019 and \$200 of the Company’s common stock (2,647 shares) issued at the closing date. The purchase price also includes \$200 of the Company’s common stock payable on the first anniversary of June 3, 2019. Further, the purchase price includes a \$500 earn-out of cash and stock, which was recorded at an estimated fair value of \$448. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for Page One, the Company engaged a third-party independent valuation specialist to assist in the determination of fair values. The Company expects to finalize the purchase price allocation with respect to this transaction by the end of the fourth quarter 2019.

On March 22, 2019, the Company acquired The Sextant Group, Inc. (“The Sextant Group”), a national leading provider of audiovisual, information and communications technology, acoustics consulting, and design services headquartered in Pittsburgh, PA. The Sextant Group provides services throughout the U.S. and is well-known for creating integrated technology solutions for a wide range of public and private sector clients. The aggregate purchase price is up to \$11,000, including \$7,000 of cash and \$4,000 in promissory note (bearing interest at 4%), payable in four equal installments of \$1,000 due on the first, second, third and fourth anniversaries of March 22, 2019. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for The Sextant Group, the Company engaged a third-party independent valuation specialist to assist in the determination of fair values. The Company expects to finalize the purchase price allocation with respect to this transaction by the end of the fourth quarter 2019.

On December 31, 2018, the Company acquired certain assets of Celtic Energy, Inc. (“Celtic”), a nationally recognized energy consulting firm that specializes in energy project management and oversight. The aggregate purchase price is up to \$1,900, including \$1,000 in cash, \$300 in promissory note (bearing interest at 3%), payable in three equal installments of \$100 on the first, second and third anniversaries of December 31, 2018 and \$200 of the Company’s common stock (3,227 shares) issued at the closing date. The purchase price also includes \$200 of the Company’s common stock payable on the first anniversary of December 31, 2018. Further, the purchase price includes a \$200 earn-out of cash, which was recorded at an estimated fair value of \$181. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for Celtic, the Company performed a purchase price allocation.

2018 Acquisitions

On November 2, 2018 the Company acquired CHI Engineering, Inc. (“CHI”), an infrastructure engineering firm based in Portsmouth, New Hampshire. CHI is a leading provider of engineering, procurement, and construction management services to the liquefied natural gas (“LNG”), petroleum gas (“LPG”) and Natural Gas industries. CHI’s client base includes the majority of LNG facility owner/operators in the U.S. The aggregate purchase price of this acquisition is up to \$53,000, including \$30,000 in cash, \$15,000 in promissory notes (bearing interest at 3%), payable in four equal installments of \$3,750 on the first, second, third and fourth anniversaries of November 2, 2018 and \$3,000 of the Company’s common stock (36,729 shares) issued at the closing date. The purchase price also includes \$3,000 of the Company’s common stock payable in three installments of \$1,000, due on the first, second and third anniversaries of November 2, 2018. The purchase price also includes a \$2,000 earn-out of cash (at a 3% interest rate which begins to accrue on January 1, 2020), which was recorded at its estimated fair value of \$1,547, based on a probability-weighted approach valuation technique used to determine the fair value of the contingent consideration on the acquisition date. The note and the earn-out are due to related party individuals who became employees of the Company upon the acquisition. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for CHI, the Company engaged a third-party independent valuation specialist to assist in the determination of fair values. The Company expects to finalize the purchase price allocation with respect to this transaction by the end of the third quarter of 2019.

On August 24, 2018, the Company acquired all of the outstanding equity interests in CALYX Engineers and Consultants, Inc. (“CALYX”), an infrastructure and transportation firm based in Cary, North Carolina. CALYX provides roadway and structure design, transportation planning, water resources, construction services, utility services, building structure design, land development, traffic services, cultural resources, surveying, and environmental services. CALYX serves both public and private clients, including state departments of transportation, municipalities, developers, higher education, and healthcare systems. The acquisition of CALYX will expand our infrastructure engineering service in the southeast United States. The purchase price of this acquisition is \$34,000, subject to customary closing working capital adjustments, including \$25,000 in cash, \$4,000 in promissory notes (bearing interest at 3.75%), payable in four installments of \$1,000, due on the first, second, third and fourth anniversaries of August 24, 2018 (see Note 10), \$3,000 of the Company’s common stock (36,379 shares) as of the closing date of

NV5 Global, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
(in thousands, except share data)

the acquisition, and \$2,000 in cash payable within 120 days of the closing date. The note is due to related party individuals who became employees of the Company. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for CALYX, the Company engaged a third-party independent valuation specialist to assist in the determination of fair values.

On February 2, 2018, the Company acquired CSA (M&E) Ltd. (“CSA”), a leading provider of Mechanical, Electrical, and Plumbing (MEP) engineering and sustainability consulting services. CSA provides MEP and sustainability services for the retail, education, healthcare, industrial, corporate, hospitality and infrastructure market sectors with offices in Hong Kong, Macau and the UAE. CSA serves private and public sector clients throughout Asia and the Middle East. The purchase price of this acquisition was up to \$4,200, including \$2,000 in cash; \$600 in promissory notes (bearing interest at 3%), payable in four installments of \$150, due on the first, second, third and fourth anniversaries of February 2, 2018, the effective date of the acquisition; and \$150 of the Company’s common stock (2,993 shares) issued as of the closing date. The purchase price also includes \$250 of the Company’s common stock payable in two installments of \$125, due on the first and second anniversaries of the acquisition. The purchase price also included a non-interest bearing earn-out of up to \$1,200 payable in cash and stock, subject to the achievement of certain agreed upon financial metrics for fiscal year 2018. The earn-out of \$1,200 is non-interest bearing and was recorded at its estimated fair value of \$899, based on a probability-weighted approach valuation technique used to determine the fair value of the contingent consideration on the acquisition date. The note and the earn-out are due to a related party individual who became an employee of the Company upon the acquisition. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for CSA, the Company engaged a third-party independent valuation specialist to assist in the determination of fair values.

On January 12, 2018, the Company acquired all of the outstanding equity interest in Butsko Utility Design, Inc. (“Butsko”). Butsko is leading provider of utility planning and design services serving both public and private sector clients through its offices in Southern California and Washington. The purchase price of this acquisition was up to \$4,250, including \$1,500 in cash; \$1,000 in promissory notes (bearing interest at 3%), payable in four installments of \$250, due on the first, second, third and fourth anniversaries of January 12, 2018, the effective date of the acquisition; and \$300 of the Company’s common stock (5,630 shares) issued as of the closing date. The purchase price also includes \$600 of the Company’s common stock payable in two installments of \$300, due on the first and second anniversaries of the acquisition. The purchase price also included a non-interest bearing earn-out of up to \$850 payable in cash and stock, subject to the achievement of certain agreed upon financial metrics for fiscal year 2018. The earn-out of \$850 is non-interest bearing and was recorded at its estimated fair value of \$666, based on a probability-weighted approach valuation technique used to determine the fair value of the contingent consideration on the acquisition date. The note and the earn-out are due to a related party individual who became an employee of the Company upon the acquisition. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for Butsko, the Company engaged a third-party independent valuation specialist to assist in the determination of fair values.

The following table summarizes the fair values of the assets acquired and liabilities assumed as of the acquisition date for the acquisitions closed during 2019 and 2018:

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	2019	2018
Cash	\$ 140	\$ 345
Billed and unbilled receivables, net	7,445	20,999
Property and equipment	743	3,122
Prepaid expenses	152	589
Other assets	12	83
Intangible assets:		
Customer relationships	7,401	32,267
Trade name	506	2,479
Customer backlog	446	8,007
Non-compete	916	4,306
Total Assets	17,761	72,197
Liabilities	(2,689)	(11,589)
Deferred tax liabilities	(2,007)	(8,903)
Net assets acquired	\$ 13,065	\$ 51,705
Consideration paid (Cash, Notes and/or stock)	\$ 22,643	\$ 90,516
Contingent earn-out liability (Cash and stock)	1,114	3,112
Total Consideration	\$ 23,757	\$ 93,628
Excess consideration over the amounts assigned to the net assets acquired (Goodwill)	\$ 10,692	\$ 41,923

Goodwill was recorded based on the amount by which the purchase price exceeded the fair value of the net assets acquired and the amount is attributable to the reputation of the business acquired, the workforce in place and the synergies to be achieved from these acquisitions. See Note 8 for further information on goodwill and identified intangibles.

The consolidated financial statements of the Company for the three and six months ended June 29, 2019 and June 30, 2018 include the results of operations from any business acquired from their respective dates of acquisition during each of the respective period as follows:

	Three Months Ended		Six Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Gross Revenues	\$ 4,926	\$ 2,841	\$ 5,692	\$ 4,517
Income before income taxes	\$ 891	\$ 497	\$ 939	\$ 652

The following table presents the unaudited, pro forma consolidated results of operations (in thousands, except per share amounts) for the three and six months ended June 29, 2019 and June 30, 2018 as if the acquisitions of CHI, CALYX, The Sextant Group, Page One and Alta had occurred as of January 1, 2018. The pro forma information provided below is compiled from the pre-acquisition financial information of CHI, CALYX, The Sextant Group, Page One and Alta, which includes pro forma adjustments for amortization expense, adjustments to certain expenses, and the income tax impact of these adjustments. The pro forma results are not necessarily indicative of (i) the results of operations that would have occurred had the operations of these acquisitions actually been acquired on January 1, 2018 or (ii) future results of operations:

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	Three Months Ended		Six Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Gross revenues	\$ 130,500	\$ 136,264	\$ 255,063	\$ 254,226
Net income	\$ 8,847	\$ 10,257	\$ 14,615	\$ 15,639
Basic earnings per share	\$ 0.73	\$ 0.97	\$ 1.21	\$ 1.49
Diluted earnings per share	\$ 0.71	\$ 0.93	\$ 1.17	\$ 1.42

The Company has determined the supplemental disclosures pursuant to ASC 805-10-50-2h, for the Celtic, CSA and Butsko acquisitions were not material to the Company's consolidated financial statements both individually and in the aggregate.

Note 6 – Billed and Unbilled Receivables

Billed and Unbilled Receivables consists of the following:

	June 29, 2019	December 29, 2018
Billed receivables	\$ 101,957	\$ 101,482
Less: allowance for doubtful accounts	(4,364)	(3,158)
Billed receivables, net	\$ 97,593	\$ 98,324
Unbilled receivables	\$ 51,196	\$ 44,799
Less: allowance for doubtful accounts	(1,388)	(1,388)
Unbilled receivables, net	\$ 49,808	\$ 43,411

Note 7 – Property and Equipment, net

Property and equipment, net, consists of the following:

	June 29, 2019	December 29, 2018
Office furniture and equipment	\$ 2,753	\$ 2,328
Computer equipment	12,560	11,640
Survey and field equipment	5,856	5,526
Leasehold improvements	3,779	2,541
	24,948	22,035
Accumulated depreciation	(12,819)	(10,358)
	\$ 12,129	\$ 11,677

Depreciation expense was \$1,161 and \$2,274 for the three and six months ended June 29, 2019, respectively and \$1,016 and \$2,034 for the three and six months ended June 30, 2018, respectively.

Note 8 – Goodwill and Intangible Assets

Goodwill

The changes in the carrying value by reportable segment for the six months ended June 29, 2019 were as follows:

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	Six Months Ended			
	December 29, 2018	Acquisitions	Disposed/Adjustments	June 29, 2019
INF	\$ 69,255	\$ 4,803	\$ 166	\$ 74,224
BTS	71,675	5,889	—	77,564
Total	\$ 140,930	\$ 10,692	\$ 166	\$ 151,788

Goodwill of approximately \$5,712 and \$1,723 from acquisitions during the six months ended June 29, 2019 and June 30, 2018, respectively, is expected to be deductible for income tax purposes.

Intangible Assets

Intangible assets, net, as of June 29, 2019 and December 29, 2018 consist of the following:

	June 29, 2019			December 29, 2018		
	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships (1)	\$ 108,355	\$ (23,697)	\$ 84,658	\$ 100,956	\$ (18,724)	\$ 82,232
Trade name (2)	9,394	(7,609)	1,785	8,888	(6,469)	2,419
Customer backlog (1)	16,446	(9,630)	6,816	16,000	(6,730)	9,270
Favorable lease (3)	553	(221)	332	552	(197)	355
Non-compete (4)	9,470	(4,120)	5,350	8,554	(3,074)	5,480
Total	\$ 144,218	\$ (45,277)	\$ 98,941	\$ 134,950	\$ (35,194)	\$ 99,756

- (1) Amortized on a straight-line basis over estimated lives (1 to 10 years)
- (2) Amortized on a straight-line basis over their estimated lives (1 to 3 years)
- (3) Amortized on a straight-line basis over the remaining lease term of 9 years
- (4) Amortized on a straight-line basis over their contractual lives (4 to 5 years)

Amortization expense was \$5,083 and \$10,083 for the three and six months ended June 29, 2019, respectively and \$2,791 and \$5,569 for the three and six months ended June 30, 2018, respectively.

Note 9 – Accrued Liabilities

Accrued liabilities consist of the following:

	June 29, 2019	December 29, 2018
Accrued lease liability	\$ 8,899	\$ —
Accrued vacation	10,134	7,994
Payroll and related taxes	10,142	8,136
Benefits	2,670	1,598
Unrecognized tax benefits	878	548
Professional liability reserve	171	157
Deferred rent	—	779
Other	2,671	1,641
Total	\$ 35,565	\$ 20,853

Note 10 – Notes Payable and Other Obligations

Notes payable and other obligations consists of the following:

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	June 29, 2019	December 29, 2018
Other Obligations	\$ 3,460	\$ 4,893
Uncollateralized promissory notes	40,975	40,001
Senior credit facility	10,000	—
Capital leases	2,441	2,092
Total Notes Payable and Other Obligations	56,876	46,986
Current portion of notes payable and other obligations	(16,687)	(17,139)
Notes payable and other obligations, less current portion	\$ 40,189	\$ 29,847

As of June 29, 2019 and December 29, 2018, the carrying amount of debt obligations approximates their fair values based on Level 2 inputs as the terms are comparable to terms currently offered by local lending institutions for arrangements with similar terms to industry peers with comparable credit characteristics.

Senior Credit Facility

On December 20, 2018, we entered into an amendment to a Credit Agreement (the “Credit Agreement”) dated December 7, 2016 with Bank of America, N.A. (“Bank of America”) and Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPFS”). Pursuant to the amended Credit Agreement, Bank of America agreed to be the sole administrative agent for a five-year \$125,000 Senior Secured Revolving Credit Facility (“Senior Credit Facility”) to the Company and, together with PNC Bank, National Association and Regions Bank as the other lenders under the Senior Credit Facility, has committed to lend to the Company all of the Senior Credit Facility, subject to certain terms and conditions. The Senior Credit Facility is secured by a first priority lien on substantially all of the assets of the Company. MLPFS has undertaken to act as sole lead arranger and sole book manager for the Senior Credit Facility. In addition, the Senior Credit Facility includes an accordion feature permitting the Company to request an increase in the Senior Credit Facility by an additional amount of up to \$100,000. The Senior Credit Facility includes a \$20,000 sublimit for the issuance of standby letters of credit and a \$15,000 sublimit for swingline loans. The proceeds of the Senior Credit Facility are intended to be used (i) to finance permitted acquisitions, (ii) for capital expenditures, and (iii) for general corporate purposes.

Borrowings under the Credit Agreement are at variable rates which are, at our option, tied to a Eurocurrency rate equal to LIBOR (London Interbank Offered Rate) plus an applicable rate or a base rate denominated in U.S. dollars. Interest rates are subject to change based on our Consolidated Senior Leverage Ratio (as defined in the Credit Agreement).

The Senior Credit Facility contains certain financial covenants, including a maximum leverage ratio of 4.0:1 and a minimum fixed charge coverage ratio of 1.20:1. Furthermore, the Senior Credit Facility also contains financial reporting covenant provisions and other covenants, representations, warranties, indemnities, and events of default that are customary for facilities of this type. As of June 29, 2019 and December 29, 2018, the Company is in compliance with the financial covenants. As of June 29, 2019 there was \$10,000 outstanding on the Senior Credit Facility. As of December 29, 2018, we had no outstanding balance on the Senior Credit Facility.

Other Obligations

On June 3, 2019, the Company acquired Page One. The purchase price allowed for the payment of \$200 in shares of the Company’s stock or a combination of cash and shares of the Company’s stock, at our discretion, payable on the first anniversary of June 3, 2019. At June 29, 2019, the outstanding balance of this obligation was \$181.

On December 31, 2018, the Company acquired certain assets of Celtic. The purchase price allowed for the payment of \$200 in shares of the Company’s stock or a combination of cash and shares of the Company’s stock, at our discretion, payable on the first anniversary of December 31, 2018. At June 29, 2019, the outstanding balance of this obligation was \$181.

On November 2, 2018, the Company acquired CHI. The purchase price allowed for the payment of \$3,000 in shares of the Company’s stock or a combination of cash and shares of the Company’s stock, at our discretion, payable in three equal annual installments. At June 29, 2019 and December 29, 2018, the outstanding balance of this obligation was \$2,631.

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On February 2, 2018, the Company acquired CSA. The purchase price allowed for the payment of \$250 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable in two equal annual installments. At June 29, 2019 and December 29, 2018, the outstanding balance of this obligation was \$111 and \$222, respectively.

On January 12, 2018, the Company acquired all of the outstanding equity interest in Butsko. The purchase price allowed for the payment of \$600 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable in two equal annual installments. At June 29, 2019 and December 29, 2018, the outstanding balance of this obligation was \$267 and \$534, respectively.

On September 6, 2017, the Company acquired all of the outstanding equity interest in Marron. The purchase price allowed for the payment of \$133 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable in two equal annual installments. At June 29, 2019 and December 29, 2018, the outstanding balance of this obligation was \$55.

On June 6, 2017, the Company acquired all of the outstanding equity interest in RDK. The purchase price allowed for the payment of \$1,333 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable in two equal annual installments. There was no outstanding balance on this obligation as of June 29, 2019. At December 29, 2018, the outstanding balance of this obligation was \$504.

On May 20, 2016, the Company acquired all of the outstanding equity interests of Dade Moeller. The purchase price allowed for the payment of \$3,000 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable in three equal annual installments of \$1,000. There was no outstanding balance on this obligation as of June 29, 2019. At December 29, 2018, the outstanding balance of this obligation was \$936.

Uncollateralized Promissory Notes

On June 3, 2019, the Company acquired Alta. The purchase price included an uncollateralized \$2,000 promissory note bearing interest at 4.0% ("Alta Note") and payable in four equal annual installments. The outstanding balance of the Alta Note was \$2,000 as of June 29, 2019.

On June 3, 2019, the Company acquired Page One. The purchase price included an uncollateralized \$1,000 promissory note bearing interest at 3.0% ("Page One Note") and payable in three equal annual installments. The outstanding balance of the Page One Note was \$1,000 as of June 29, 2019.

On March 22, 2019, the Company acquired The Sextant Group. The purchase price included an uncollateralized \$4,000 promissory note bearing interest at 4.0% ("The Sextant Group Note") and payable in four equal annual installments. The outstanding balance of The Sextant Group Note was \$4,000 as of June 29, 2019.

On December 31, 2018, the Company acquired certain assets of Celtic. The purchase price included an uncollateralized \$300 promissory note bearing interest at 3.0% (the "Celtic Note") payable in three equal annual installments. The outstanding balance of the Celtic note was \$300 as of June 29, 2019.

On November 2, 2018, the Company acquired CHI. The purchase price included an uncollateralized \$15,000 promissory note bearing interest at 3.0% (the "CHI Note") payable in four equal annual installments. The outstanding balance of the CHI Note was \$15,000 as of June 29, 2019 and December 29, 2018.

On August 24, 2018, the Company acquired CALYX. The purchase price included an uncollateralized \$4,000 promissory note bearing interest at 3.75% (the "CALYX Note") payable in four equal annual installments. The outstanding balance of the CALYX Note was \$4,000 as of June 29, 2019 and December 29, 2018.

On February 2, 2018, the Company acquired CSA. The purchase price included an uncollateralized \$600 promissory note bearing interest at 3.0% (the "CSA Note") payable in four equal annual installments. The outstanding balance of the CSA Note was \$450 and \$600 as of June 29, 2019 and December 29, 2018, respectively.

On January 12, 2018, the Company acquired all of the outstanding equity interest in Butsko. The purchase price included an uncollateralized \$1,000 promissory note bearing interest at 3.0% (the "Butsko Note") payable in four equal annual

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installments. The outstanding balance of the Butsko Note was \$750 and \$1,000 as of June 29, 2019 and December 29, 2018, respectively.

On September 6, 2017, the Company acquired all of the outstanding interests in Marron. The purchase price included an uncollateralized \$300 promissory note bearing interest at 3.0% (the "Marron Note") payable in three equal annual installments. The outstanding balance of the Marron Note was \$200 as of June 29, 2019 and December 29, 2018.

On June 6, 2017, the Company acquired all of the outstanding equity interest in RDK. The purchase price included an uncollateralized \$5,500 promissory note bearing interest at 3.0% (the "RDK Note") payable in four equal annual installments. The outstanding balance of the RDK Note was \$2,750 and \$4,125 as of June 29, 2019 and December 29, 2018, respectively.

On May 4, 2017, the Company acquired all of the outstanding equity interest in H&K. The purchase price included an uncollateralized \$600 promissory note bearing interest at 3.0% (the "H&K Note") payable in four equal annual installments. The outstanding balance of the H&K Note was \$300 and \$450 as of June 29, 2019 and December 29, 2018, respectively.

On May 1, 2017, the Company acquired all of the outstanding equity interest in Lochrane. The purchase price included an uncollateralized \$1,650 promissory note bearing interest at 3.0% (the "Lochrane Note") payable in four equal annual installments. The outstanding balance of the Lochrane Note was \$825 and \$1,238 as of June 29, 2019 and December 29, 2018, respectively.

On December 6, 2016, the Company acquired all of the outstanding interests of CivilSource. The purchase price included an uncollateralized \$3,500 promissory note bearing interest at 3.0% (the "CivilSource Note") payable in four equal annual installments. The outstanding balance of the CivilSource Note was \$1,606 and \$2,625 as of June 29, 2019 and December 29, 2018, respectively.

On November 30, 2016, the Company acquired all of the outstanding interests of Hanna. The purchase price included an uncollateralized \$2,700 promissory note bearing interest at 3.0% (the "Hanna Note") payable in four equal annual installments. The outstanding balance of the Hanna Note was \$1,350 as of June 29, 2019 and December 29, 2018.

On October 26, 2016, the Company acquired all of the outstanding interests of JBA. The purchase price included an uncollateralized \$7,000 promissory note bearing interest at 3.0% (the "JBA Note") payable in five equal annual installments. The outstanding balance of the JBA Note was \$4,200 as of June 29, 2019 and December 29, 2018.

On September 12, 2016, the Company acquired certain assets of Weir. The purchase price included an uncollateralized \$500 promissory note bearing interest at 3.0% (the "Weir Note") payable in four equal annual installments. The outstanding balance of the Weir Note was \$250 as of June 29, 2019 and December 29, 2018.

On May 20, 2016, the Company acquired all of the outstanding equity interests of Dade Moeller. The purchase price included an aggregate of \$6,000 of uncollateralized promissory notes bearing interest at 3.0% (the "Dade Moeller Notes") payable in four equal annual installments. The outstanding balance of the Dade Moeller Notes was \$1,497 and \$3,036 as of June 29, 2019 and December 29, 2018, respectively.

On July 1, 2015, the Company acquired all of the outstanding equity interests of RBA. The purchase price included an uncollateralized \$4,000 promissory notes bearing interest at 3.0% (the "RBA Note") payable in four equal annual installments. There was no outstanding balance on the RBA Note as of June 29, 2019. The outstanding balance of the RBA Note was \$1,000 as of December 29, 2018.

On January 30, 2015, the Company acquired all of the outstanding equity interests of JLA. The purchase price included an uncollateralized \$1,250 promissory note bearing interest at 3.5% (the "JLA Note") payable in four equal annual installments. There was no outstanding balance on the JLA Note as of June 29, 2019. As of December 29, 2018, the outstanding balance of the JLA note was \$313.

Note 11 – Contingent Consideration

The following table summarizes the changes in the carrying value of estimated contingent consideration:

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	June 29, 2019	December 29, 2018
Contingent consideration, beginning of the year	\$ 4,698	\$ 1,890
Additions for acquisitions	1,281	3,112
Reduction of liability for payments made	(1,938)	(728)
Increase of liability related to re-measurement of fair value	49	424
Total contingent consideration, end of the period	4,090	4,698
Current portion of contingent consideration	(1,895)	(1,845)
Contingent consideration, less current portion	\$ 2,195	\$ 2,853

Note 12 – Commitments and Contingencies

Litigation, Claims and Assessments

We are subject to certain claims and lawsuits typically filed against the engineering, consulting and construction profession, alleging primarily professional errors or omissions. The Company carries professional liability insurance, subject to certain deductibles and policy limits, against such claims. However, in some actions, parties are seeking damages that exceed our insurance coverage or for which we are not insured. While management does not believe that the resolution of these claims will have a material adverse effect, individually or in aggregate, on its financial position, results of operations or cash flows, management acknowledges the uncertainty surrounding the ultimate resolution of these matters.

Note 13 – Stock-Based Compensation

In October 2011, our stockholders approved the 2011 Equity Incentive Plan, which was subsequently amended and restated in March 2013 (as amended, the “2011 Equity Plan”). The 2011 Equity Plan provides directors, executive officers, and other employees of the Company with additional incentives by allowing them to acquire ownership interest in the business and, as a result, encouraging them to contribute to the Company’s success. We may provide these incentives through the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares and units, and other cash-based or stock-based awards. As of June 29, 2019, 1,399,663 shares of common stock are authorized and reserved for issuance under the 2011 Equity Plan. This reserve automatically increases on each January 1 from 2014 through 2023, by an amount equal to the smaller of (i) 3.5% of the number of shares issued and outstanding on the immediately preceding December 31, or (ii) an amount determined by our Board of Directors. The restricted shares of common stock granted generally provide for service-based vesting after two to four years following the grant date.

The following summarizes the activity of restricted stock awards during the six months ended June 29, 2019:

	Number of Unvested Restricted Shares of Common Stock and Restricted Stock Units	Weighted Average Grant Date Fair Value
December 29, 2018	626,911	\$ 39.81
Granted	80,627	\$ 61.69
Vested	(194,341)	\$ 19.46
Forfeited	(20,503)	\$ 47.81
June 29, 2019	492,694	\$ 51.09

Share-based compensation expense relating to restricted stock awards during the three and six months ended June 29, 2019 was \$2,369 and \$4,167, respectively and \$1,503 and \$2,639, respectively, for the three and six months ended June 30, 2018. Approximately \$12,270 of deferred compensation, which is expected to be recognized over the remaining weighted average

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vesting period of 2.0 years, is unrecognized at June 29, 2019. The total fair value of restricted shares vested during the six months ended June 29, 2019 and June 30, 2018 was \$13,649 and \$6,802, respectively.

Note 14 – Income Taxes

As of June 29, 2019 and December 29, 2018, we had net deferred income tax liabilities of \$18,708 and \$16,224, respectively. No valuation allowance against our deferred income tax assets is needed as of June 29, 2019 and December 29, 2018 as it is more-likely-than-not that the positions will be realized upon settlement. Deferred income tax liabilities primarily relate to intangible assets and accounting basis adjustments where we have a future obligation for tax purposes.

Our consolidated effective income tax rate was 25.3% and 24.7%, respectively, for the three and six months ended June 29, 2019 and 24.6% and 25.0%, respectively, for the three and six months ended June 30, 2018. Our tax provision includes an income tax benefit related to the vesting of restricted stock totaling \$2,294 and \$2,472, respectively, for the three and six months ended June 29, 2019 and \$1,064 and \$1,114, respectively, for the three and six months ended June 30, 2018.

We evaluate tax positions for recognition using a more-likely-than-not recognition threshold, and those tax positions eligible for recognition are measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon the effective settlement with a taxing authority that has full knowledge of all relevant information. The California Franchise Tax Board (“CFTB”) challenged research and development tax credits generated for the years 2012 to 2014. Fiscal years 2012 through 2018 are considered open tax years in the State of California and 2015 through 2018 in the U.S. federal jurisdiction and other state jurisdictions. The evaluation by the CFTB is ongoing and at June 29, 2019 and December 29, 2018, we had \$878 and \$548, respectively, of unrecognized tax benefits, which if recognized would affect our effective tax rate. It is not expected that there will be a significant change in the unrecognized tax benefits in the next 12 months.

Note 15 – Reportable Segments

We report segment information in accordance with ASC Topic No. 280 “*Segment Reporting*” (“Topic No. 280”). Our Chief Executive Officer is the chief operating decision maker and organized the Company into two operating and reportable segments: Infrastructure (INF), which includes our engineering, civil program management, and construction quality assurance practices; and Building, Technology & Sciences (BTS), which includes our energy, environmental practices and buildings program management practices.

We evaluate the performance of these reportable segments based on their respective operating income before the effect of amortization expense related to acquisitions and other unallocated corporate expenses. We account for inter-segment revenues and transfers as if the sales and transfers were to third parties. All intercompany balances and transactions are eliminated in consolidation.

The following tables set forth summarized financial information concerning our reportable segments:

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	Three Months Ended		Six Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Gross revenues				
INF	\$ 83,547	\$ 61,721	\$ 161,319	\$ 116,527
BTS	45,372	43,284	85,646	83,934
Elimination of inter- segment revenues	(945)	(987)	(1,656)	(1,909)
Total gross revenues	<u>\$ 127,974</u>	<u>\$ 104,018</u>	<u>\$ 245,309</u>	<u>\$ 198,552</u>

Segment income before taxes

INF	\$ 14,691	\$ 10,169	\$ 27,265	\$ 17,841
BTS	7,499	7,419	13,416	13,802
Total Segment income before taxes	22,190	17,588	40,681	31,643
Corporate ⁽¹⁾	(13,050)	(8,888)	(24,481)	(17,253)
Total income before taxes	<u>\$ 9,140</u>	<u>\$ 8,700</u>	<u>\$ 16,200</u>	<u>\$ 14,390</u>

⁽¹⁾ Includes amortization of intangibles of \$5,083 and 10,083 for the three and six months ended June 29, 2019, respectively and \$2,791 and \$5,569 for the three and six months ended June 30, 2018, respectively.

Upon adoption of Topic 606, we disaggregate our gross revenues from contracts with customers by geographic location, customer-type and contract-type for each of our reportable segments. Disaggregated revenues include the elimination of inter-segment revenues which has been allocated to each segment. We believe this best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by economic factors.

	Three Months Ended June 29, 2019			Six Months Ended June 29, 2019		
	INF	BTS	Total	INF	BTS	Total
Gross revenues by Geographic Location						
United States	\$ 82,790	\$ 42,676	\$ 125,466	\$ 160,062	\$ 80,013	\$ 240,075
Foreign	—	2,508	2,508	—	5,234	5,234
Total gross revenues	<u>\$ 82,790</u>	<u>\$ 45,184</u>	<u>\$ 127,974</u>	<u>\$ 160,062</u>	<u>\$ 85,247</u>	<u>\$ 245,309</u>
	Three Months Ended June 30, 2018			Six Months Ended June 30, 2018		
	INF	BTS	Total	INF	BTS	Total
Gross revenues by Geographic Location						
United States	\$ 61,087	\$ 39,127	\$ 100,214	\$ 104,036	\$ 34,050	\$ 138,086
Foreign	—	3,804	3,804	10,981	49,485	60,466
Total gross revenues	<u>\$ 61,087</u>	<u>\$ 42,931</u>	<u>\$ 104,018</u>	<u>\$ 115,017</u>	<u>\$ 83,535</u>	<u>\$ 198,552</u>

NV5 Global, Inc. and Subsidiaries
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(UNAUDITED)
(in thousands, except share data)

	Three Months Ended June 29, 2019			Six Months Ended June 29, 2019		
	INF	BTS	Total	INF	BTS	Total
Gross revenues by Customer						
Public and quasi-public sector	\$ 72,415	\$ 17,404	\$ 89,819	\$ 140,540	\$ 32,573	\$ 173,113
Private sector	10,375	27,780	38,155	19,522	52,674	72,196
Total gross revenues	<u>\$ 82,790</u>	<u>\$ 45,184</u>	<u>\$ 127,974</u>	<u>\$ 160,062</u>	<u>\$ 85,247</u>	<u>\$ 245,309</u>

	Three Months Ended June 30, 2018			Six Months Ended June 30, 2018		
	INF	BTS	Total	INF	BTS	Total
Gross revenues by Customer						
Public and quasi-public sector	\$ 55,244	\$ 16,974	\$ 72,218	\$ 104,036	\$ 34,050	\$ 138,086
Private sector	5,843	25,957	31,800	10,981	49,485	60,466
Total gross revenues	<u>\$ 61,087</u>	<u>\$ 42,931</u>	<u>\$ 104,018</u>	<u>\$ 115,017</u>	<u>\$ 83,535</u>	<u>\$ 198,552</u>

	Three Months Ended June 29, 2019			Six Months Ended June 29, 2019		
	INF	BTS	Total	INF	BTS	Total
Gross revenues by Contract Type						
Cost-reimbursable contracts	\$ 79,974	\$ 35,995	\$ 115,969	\$ 155,740	\$ 68,139	\$ 223,879
Fixed-unit price contracts	2,816	9,189	12,005	4,322	17,108	21,430
Total gross revenues	<u>\$ 82,790</u>	<u>\$ 45,184</u>	<u>\$ 127,974</u>	<u>\$ 160,062</u>	<u>\$ 85,247</u>	<u>\$ 245,309</u>

	Three Months Ended June 30, 2018			Six Months Ended June 30, 2018		
	INF	BTS	Total	INF	BTS	Total
Gross revenues by Contract Type						
Cost-reimbursable contracts	\$ 60,954	\$ 33,404	\$ 94,358	\$ 114,748	\$ 66,560	\$ 181,308
Fixed-unit price contracts	133	9,527	9,660	269	16,975	17,244
Total gross revenues	<u>\$ 61,087</u>	<u>\$ 42,931</u>	<u>\$ 104,018</u>	<u>\$ 115,017</u>	<u>\$ 83,535</u>	<u>\$ 198,552</u>

Note 16 – Leases

Our operating leases consist of various office facilities, which we lease from unrelated parties. We use a portfolio approach to account for such leases due to the similarities in characteristics and apply an incremental borrowing rate equal to the interest rate of our existing secured line of credit. Our office leases with an initial term of 12 months or less are not recorded on the balance sheet. We account for lease components (e.g. fixed payments including rent, real estate taxes and common area maintenance costs) as a single lease component. Some of our leases include one or more options to renew the lease term at our sole discretion; however, these are not included in the calculation of our lease liability or ROU lease asset because they are not reasonably certain of exercise.

We also lease vehicles through a fleet leasing program. The payments for the vehicles are based on the terms selected. We have determined that it is reasonably certain that the leased vehicles will be held beyond the period in which the entire capitalized value of the vehicle has been paid to the lessor. As such, the capitalized value is the delivered price of the vehicle. Our vehicle leases are classified as financing leases.

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(UNAUDITED)
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Leases	Classification	June 29, 2019
Assets		
Operating lease assets	Right-of-use lease asset, net (1)	\$ 35,566
Finance lease assets	Property and equipment, net (1)	2,011
Total leased assets		<u>\$ 37,577</u>
Liabilities		
Current		
Operating	Accrued liabilities	\$ 8,899
Finance	Current portion of notes payable and other obligations	791
Noncurrent		
Operating	Long-term lease liability	27,736
Finance	Notes payable and other obligations, less current portion	1,650
Total lease liabilities		<u>\$ 39,076</u>

(1): At June 29, 2019, operating right-of-use lease assets and finance lease assets are recorded net of accumulated amortization of \$4,251 and \$1,146, respectively.

Lease Cost	Classification	Three Months Ended	Six Months Ended
		June 29, 2019	June 29, 2019
Operating lease cost	Facilities and facilities related	\$ 2,790	\$ 5,242
Finance lease cost			
Amortization of financing lease assets	Depreciation and amortization	161	324
Interest on lease liabilities	Interest expense	20	45
Total lease cost		<u>\$ 2,971</u>	<u>\$ 5,611</u>

Maturity of Lease Liabilities	Operating Leases	Finance Leases
2019	\$ 5,284	\$ 425
2020	9,326	870
2021	8,017	774
2022	5,616	502
2023	4,516	229
Thereafter	8,046	30
Total lease payments	<u>40,805</u>	<u>2,830</u>
Less: Interest	4,170	389
Present value of lease liabilities	<u>\$ 36,635</u>	<u>\$ 2,441</u>

NV5 Global, Inc. and Subsidiaries
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Weighted - Average Remaining Lease Term (Years)	June 29, 2019
Operating leases	5.4
Finance leases	2.7
Weighted - Average Discount Rate	
Operating leases	4%
Finance leases	7%

Supplemental Cash Flow Information	Six Months Ended	
	June 29, 2019	
Operating cash flows from operating leases	\$	4,951
Financing cash flows from finance leases	\$	325
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	\$	6,236

Future minimum payments under non-cancelable operating leases as of December 29, 2018 were as follows:

Years Ended	Amount
2019	\$ 9,506
2020	8,054
2021	7,224
2022	5,364
2023	4,504
Thereafter	7,704
Total minimum lease payments	\$ 42,356

NV5 Global, Inc. and Subsidiaries
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Note 17 – Subsequent Events

On July 2, 2019, the Company acquired WHPacific, Inc., a leading provider of design engineering and surveying services in the western United States. The aggregate purchase price is \$9,000 of cash.

On July 1, 2019, the Company acquired GeoDesign, Inc., an engineering consulting firm that offers geotechnical engineering, environmental, geological, mining, and pavement consulting services. The aggregate purchase price is up to \$12,800, paid with a combination of cash and stock at closing and future stock and note payments.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of the financial condition and results of operations of NV5 Global, Inc. and its subsidiaries (collectively, the “Company,” “we,” “our,” “us” or “NV5 Global”) should be read in conjunction with the financial statements included elsewhere in this Quarterly Report and the audited financial statements for the year ended December 29, 2018, included in our Annual Report on Form 10-K. This Quarterly Report contains, in addition to unaudited historical information, forward-looking statements, which involve risk and uncertainties. The words “believe,” “expect,” “estimate,” “may,” “will,” “could,” “plan,” or “continue” and similar expressions are intended to identify forward-looking statements. Our actual results could differ materially from the results those anticipated in such forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, those discussed under the headings “Risk Factors” in our Annual Report on Form 10-K for the year ended December 29, 2018 and this Quarterly Report on Form 10-Q, if any. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to (and we expressly disclaim any obligation to) revise or update any forward-looking statement, whether as a result of new information, subsequent events, or otherwise (except as may be required by law), in order to reflect any event or circumstance which may arise after the date of this Quarterly Report on Form 10-Q. Amounts presented are in thousands, except per share data.

Overview

We are a provider of professional and technical engineering and consulting solutions to public and private sector clients. We focus on the infrastructure, energy, construction, real estate, and environmental markets. We primarily focus on the following business service verticals: construction quality assurance, infrastructure, energy, program management, and environmental solutions. Our primary clients include U.S. federal, state, municipal, and local government agencies, and military and defense clients. We also serve quasi-public and private sector clients from the education, healthcare, energy, and public utilities, including schools, universities, hospitals, health care providers, insurance providers, large utility service providers, and large to small energy producers.

Recent Acquisitions

On June 3, 2019, the Company acquired Alta Environmental, L.P. (“Alta”), a consulting firm specializing in air quality, environmental building sciences, water resources, site assessment and remediation as well as environmental health and safety compliance services. The aggregate purchase price is up to \$6,500, including \$4,000 of cash and \$2,000 in promissory note (bearing interest at 4%), payable in four equal installments of \$500 due on the first, second, third and fourth anniversaries of June 3, 2019. Further, the purchase price includes a \$500 earn-out of cash, which was recorded at an estimated fair value of \$485. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for Alta, the Company engaged a third-party independent valuation specialist to assist in the determination of fair values. The Company expects to finalize the purchase price allocation with respect to this transaction by the end of the fourth quarter 2019.

On June 3, 2019, the Company acquired Page One Consultants (“Page One”), a program management and construction quality assurance firm based in Orlando, Florida. The aggregate purchase price is up to \$3,900, including \$2,000 of cash, \$1,000 in promissory note (bearing interest at 3%), payable in three equal installments of \$333 due on the first, second and third anniversaries of June 3, 2019 and 200 of the Company’s common stock (2,647 shares) issued at the closing date. The purchase price also includes \$200 of the Company’s common stock payable on the first anniversary of June 3, 2019. Further, the purchase price includes a \$500 earn-out of cash, which was recorded at an estimated fair value of \$448. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for Page One, the Company engaged a third-party independent valuation specialist to assist in the determination of fair values. The Company expects to finalize the purchase price allocation with respect to this transaction by the end of the fourth quarter 2019.

On March 22, 2019, the Company acquired The Sextant Group, Inc. (“The Sextant Group”), a national leading provider of audiovisual, information and communications technology, acoustics consulting, and design services headquartered in Pittsburgh, PA. The Sextant Group provides services throughout the U.S. and is well-known for creating integrated technology solutions for a wide range of public and private sector clients. The aggregate purchase price is up to \$11,000, including \$7,000 of cash and \$4,000 in promissory note (bearing interest at 4%), payable in four equal installments of \$1,000 due on the first, second, third and fourth anniversaries of March 22, 2019. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for The Sextant Group, the Company engaged a third-party independent valuation specialist to assist in the determination of fair values. The Company expects to finalize the purchase price allocation with respect to this transaction by the end of the fourth quarter 2019.

On December 31, 2018, the Company acquired certain assets of Celtic Energy, Inc. (“Celtic”), a nationally recognized energy consulting firm that specializes in energy project management and oversight. The aggregate purchase price is up to \$1,900, including \$1,000 in cash, \$300 in promissory note (bearing interest at 3%), payable in three equal installments of \$100 on the first, second and third anniversaries of December 31, 2018 and \$200 of the Company’s common stock (3,227 shares) issued at the closing date. The purchase price also includes \$200 of the Company’s common stock payable on the first anniversary of December 31, 2018. Further, the purchase price includes a \$200 earn-out of cash, which was recorded at an estimated fair value of \$181. In order to determine the fair values of tangible and intangible assets acquired and liabilities assumed for Celtic, the Company performed a purchase price allocation.

Backlog

As of June 29, 2019, we had \$563,797 of remaining performance obligations, or backlog, of which \$450,889 or 80% is expected to be recognized over the next 12 months and the majority of the balance over the next 24 months. We include in backlog those contracts for which work authorizations have been received. We cannot guarantee that the revenue projected in our backlog will be realized or, if realized, will result in profits. In addition, project cancellations or scope adjustments may occur, from time to time, with respect to contracts reflected in our backlog. For example, certain of our contracts with the U.S. federal government and other clients are terminable at the discretion of the client, with or without cause. These types of backlog reductions could adversely affect our revenue and margins. Accordingly, our backlog as of any particular date is an uncertain indicator of our future earnings.

Segments

Our operations are organized into two reportable segments:

- *Infrastructure (INF)* - includes our engineering, civil program management, and construction quality assurance, testing and inspection practices
- *Building, Technology & Sciences (BTS)* – includes our energy, environmental and buildings program management practices

For additional information regarding our reportable segments, see "Reportable Segments" of the "Notes to Consolidated Financial Statements" included elsewhere herein.

Critical Accounting Policies and Estimates

For a discussion of our critical accounting estimates, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” that is included in the 2018 Form 10-K.

Results of Operations

Consolidated Results of Operations

The following table represents our condensed results of operations for the periods indicated (dollars in thousands):

	Three Months Ended		Six Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Gross revenues	\$ 127,974	\$ 104,018	\$ 245,309	\$ 198,552
Less sub-consultant services and other direct costs	(28,454)	(19,770)	(55,102)	(37,152)
Net revenues ⁽¹⁾	99,520	84,248	190,207	161,400
Direct salary and wages costs	38,080	33,546	73,337	64,067
Gross profit	61,440	50,702	116,870	97,333
Operating expenses	51,843	41,352	99,862	81,682
Income from operations	9,597	9,350	17,008	15,651
Interest expense	(457)	(650)	(808)	(1,261)
Income tax expense	(346)	(1,080)	(1,863)	(2,478)
Net income	\$ 8,794	\$ 7,620	\$ 14,337	\$ 11,912

⁽¹⁾ Net Revenues is not a measure of financial performance under GAAP. Gross revenues include sub-consultant costs and other direct costs which are generally pass-through costs. The Company believes that Net Revenues, which is a non-U.S. GAAP financial measure commonly used in our industry, enhances investors' ability to analyze our business trends and performance because it substantially measures the work performed by our employees.

Three Months Ended June 29, 2019 Compared to the Three Months Ended June 30, 2018.

Gross and Net Revenues

Our consolidated gross revenues increased by \$23,956, or 23% in the three months ended June 29, 2019 compared to the three months ended June 30, 2018. Our consolidated net revenues increased by \$15,272, or 18% in the three months ended June 29, 2019 compared to the three months ended June 30, 2018. The increase in gross and net revenues was primarily due to the contribution from various acquisitions completed subsequent to the second quarter of 2018. The growth in revenues was attributable to increases in the following:

- Energy distribution services
- Infrastructure engineering services
- Energy and environmental services
- Civil and building program management services

Gross Profit

As a percentage of gross revenues, our gross profit margin was 48% and 49% for the three months ended June 29, 2019 and June 30, 2018, respectively. The decrease in gross profit margin was due to an increased use of sub-consultants as well as higher other direct costs in 2019 compared to 2018.

Operating expenses

Our operating expenses increased \$10,491, or 25% for the three months ended June 29, 2019 compared to the three months ended June 30, 2018. The increases in operating expenses were primarily due to increases in payroll related costs of

\$4,998, general and administrative costs of \$2,638 and depreciation and amortization of \$2,438. The increases in costs support our increases in revenues and are related primarily to the operating expenses of our acquired entities.

Income taxes

Our consolidated effective income tax rate was 25.3% and 24.6% for the three months ended June 29, 2019 and June 30, 2018, respectively. Our tax provision includes an income tax benefit related to the vesting of restricted stock totaling \$2,294 for the three months ended June 29, 2019 and \$1,064 for the three months ended June 30, 2018.

Six Months Ended June 29, 2019 Compared to the Six Months Ended June 30, 2018.

Gross and Net Revenues

Our consolidated gross revenues increased by \$46,757, or 24% in the six months ended June 29, 2019 compared to the six months ended June 30, 2018. Our consolidated net revenues increased by \$28,807, or 18% in the six months ended June 29, 2019 compared to the six months ended June 30, 2018. The increase in gross and net revenues was primarily due to the contribution from various acquisitions completed subsequent to the second quarter of 2018. The growth in revenues was attributable to increases in the following:

- Energy distribution services
- Infrastructure engineering services
- Energy and environmental services
- Civil and building program management services

Gross Profit

As a percentage of gross revenues, our gross profit margin was 48% and 49% for the six months ended June 29, 2019 and June 30, 2018, respectively. The decrease in gross profit margin was due to an increased use of sub-consultants as well as higher other direct costs in 2019 compared to 2018.

Operating expenses

Our operating expenses increased \$18,180, or 22% for the six months ended June 29, 2019 compared to the six months ended June 30, 2018. The increases in operating expenses were primarily as a result of increases in payroll related costs of \$8,778, general and administrative costs of \$3,966 and depreciation and amortization of \$4,754. The increases in costs support our increases in revenues and are related primarily to the operating expenses of our acquired entities.

Income taxes

Our consolidated effective income tax rate was 24.7% and 25.0% for the six months ended June 29, 2019 and June 30, 2018, respectively. Our tax provision includes an income tax benefit related to the vesting of restricted stock totaling \$2,472 for the six months ended June 29, 2019 and \$1,114 for the six months ended June 30, 2018.

Segment Results of Operations

The following tables set forth summarized financial information concerning our reportable segments (dollars in thousands):

	Three Months Ended		Six Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
<u>Gross revenues</u>				
INF	\$ 83,547	\$ 61,721	\$ 161,319	\$ 116,527
BTS	\$ 45,372	\$ 43,284	\$ 85,646	\$ 83,934
<u>Segment income before taxes</u>				
INF	\$ 14,691	\$ 10,169	\$ 27,265	\$ 17,841
BTS	\$ 7,499	\$ 7,419	\$ 13,416	\$ 13,802

For additional information regarding our reportable segments, see Note 15 of the notes to the unaudited consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Three Months Ended June 29, 2019 Compared to Three Months Ended June 30, 2018

INF Segment

Our gross revenues from INF reportable segment increased \$21,826, or 35% during the three months ended June 29, 2019 compared to the three months ended June 30, 2018. The increase in gross revenues is due to the contribution from various acquisitions completed subsequent to the second quarter of 2018. The growth in revenues was attributable to increases in:

- Energy distribution services
- Infrastructure engineering services
- Civil program management services

Segment Income before Taxes from INF increased \$4,522, or 44% during the three months ended June 29, 2019 compared to the three months ended June 30, 2018. The increase was primarily due to contributions from acquisitions completed subsequent to the second quarter of 2018.

BTS Segment

Our gross revenues from BTS increased \$2,088, or 5% during the three months ended June 29, 2019 compared to the three months ended June 30, 2018. The increase in gross revenues was primarily due to the contribution from various acquisitions completed subsequent to the second quarter of 2018.

Segment Income before Taxes from BTS increased \$80, or 1% during the three months ended June 29, 2019 compared to the three months ended June 30, 2018. The increase was primarily due to contributions from acquisitions completed subsequent to the second quarter of 2018.

Six Months Ended June 29, 2019 Compared to Six Months Ended June 30, 2018

INF Segment

Our gross revenues from INF reportable segment increased \$44,792, or 38% during the six months ended June 29, 2019 compared to the six months ended June 30, 2018. The increase in gross revenues is due to the contribution from various acquisitions completed subsequent to the second quarter of 2018. The growth in revenues was attributable to increases in:

- Energy distribution services
- Infrastructure engineering services
- Civil program management services

Segment Income before Taxes from INF increased \$9,424, or 53% during the six months ended June 29, 2019 compared to the six months ended June 30, 2018. The increase was primarily due to contributions from acquisitions completed subsequent to the second quarter of 2018.

BTS Segment

Our gross revenues from BTS increased \$1,712, or 2% during the six months ended June 29, 2019 compared to the six months ended June 30, 2018. The increase in gross revenues is due to the contribution from various acquisitions completed subsequent to the second quarter of 2018.

Segment Income before Taxes from BTS decreased \$386, or 3% during the six months ended June 29, 2019 compared to the six months ended June 30, 2018. The decrease was primarily a result of a slowdown in the gaming industry and our international operations, partially offset by increases in revenues associated with building program management and mechanical, electrical and plumbing services.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents balances, cash flows from operations, borrowing capacity under our Senior Credit Facility, and access to financial markets. Our principal uses of cash are operating expenses,

working capital requirements, capital expenditures, repayment of debt, and acquisition expenditures. We believe our sources of liquidity, including cash flows from operations, existing cash and cash equivalents and borrowing capacity under our Senior Credit Facility will be sufficient to meet our projected cash requirements for at least the next twelve months. We will monitor our capital requirements thereafter to ensure our needs are in line with available capital resources.

Operating activities

Our business provided \$17,434 of net cash from operations during the six months ended June 29, 2019, an increase of \$6,597, or 61% compared to \$10,837 during the six months ended June 30, 2018. The change was primarily due to higher earnings after adding back non-cash adjustments, which totaled \$13,433, partially offset by a \$6,836 change in working capital compared to the six months ended June 30, 2018.

Investing activities

During the six months ended June 29, 2019 and June 30, 2018, net cash used in investing activities totaled \$15,786 and \$4,935, respectively. The increase in cash used in investing activities was a result of increased acquisition activity.

Financing activities

Cash flows provided by financing activities during the six months ended June 29, 2019 totaled \$2,049 compared to net cash used in financing activities of \$8,618 during the six months ended June 30, 2018. The increase was a result of \$10,000 in borrowings from our Senior Credit Facility during the six months ended June 29, 2019, partially offset by \$2,500 in payments of borrowings from the Senior Credit Facility during the six months ended June 28, 2018.

Financing

Senior Credit Facility

On December 20, 2018, we entered into an amendment to a Credit Agreement (the "Credit Agreement") dated December 7, 2016 with Bank of America, N.A. ("Bank of America") and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPFS"). Pursuant to the amended Credit Agreement, Bank of America agreed to be the sole administrative agent for a five-year \$125,000 Senior Secured Revolving Credit Facility ("Senior Credit Facility") to the Company and, together with PNC Bank, National Association and Regions Bank as the other lenders under the Senior Credit Facility, has committed to lend to the Company all of the Senior Credit Facility, subject to certain terms and conditions. The Senior Credit Facility is secured by a first priority lien on substantially all of the assets of the Company. MLPFS has undertaken to act as sole lead arranger and sole book manager for the Senior Credit Facility. In addition, the Senior Credit Facility includes an accordion feature permitting the Company to request an increase in the Senior Credit Facility by an additional amount of up to \$100,000. The Senior Credit Facility includes a \$20,000 sublimit for the issuance of standby letters of credit and a \$15,000 sublimit for swingline loans. The proceeds of the Senior Credit Facility are intended to be used (i) to finance permitted acquisitions, (ii) for capital expenditures, and (iii) for general corporate purposes.

Borrowings under the Credit Agreement are at variable rates which are, at our option, tied to a Eurocurrency rate equal to LIBOR (London Interbank Offered Rate) plus an applicable rate or a base rate denominated in U.S. dollars. Interest rates are subject to change based on our Consolidated Senior Leverage Ratio (as defined in the Credit Agreement).

The Senior Credit Facility contains certain financial covenants, including a maximum leverage ratio of 4.0:1 and a minimum fixed charge coverage ratio of 1.20:1. Furthermore, the Senior Credit Facility also contains financial reporting covenant provisions and other covenants, representations, warranties, indemnities, and events of default that are customary for facilities of this type. As of June 29, 2019 and December 29, 2018, the Company is in compliance with the financial covenants. As of June 29, 2019, there was \$10,000 outstanding on the Senior Credit Facility. As of December 29, 2018, we had no outstanding balance on the Senior Credit Facility.

Other Obligations

On June 3, 2019, the Company acquired Page One. The purchase price allowed for the payment of \$200 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable on the first anniversary of June 3, 2019. At June 29, 2019, the outstanding balance of this obligation was \$181.

On December 31, 2018, the Company acquired certain assets of Celtic. The purchase price allowed for the payment of \$200 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable on the first anniversary of December 31, 2018. At June 29, 2019, the outstanding balance of this obligation was \$181.

On November 2, 2018, the Company acquired CHI. The purchase price allowed for the payment of \$3,000 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable in three equal annual installments. At June 29, 2019 and December 29, 2018, the outstanding balance of this obligation was \$2,631.

On February 2, 2018, the Company acquired CSA. The purchase price allowed for the payment of \$250 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable in two equal annual installments. At June 29, 2019 and December 29, 2018, the outstanding balance of this obligation was \$111 and \$222, respectively.

On January 12, 2018, the Company acquired all of the outstanding equity interest in Butsko. The purchase price allowed for the payment of \$600 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable in two equal annual installments. At June 29, 2019 and December 29, 2018, the outstanding balance of this obligation was \$267 and \$534, respectively.

On September 6, 2017, the Company acquired all of the outstanding equity interest in Marron. The purchase price allowed for the payment of \$133 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable in two equal annual installments. At June 29, 2019 and December 29, 2018, the outstanding balance of this obligation was \$55.

On June 6, 2017, the Company acquired all of the outstanding equity interest in RDK. The purchase price allowed for the payment of \$1,333 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable in two equal annual installments. There was no outstanding balance on this obligation as of June 29, 2019. At December 29, 2018, the outstanding balance of this obligation was \$504.

On May 20, 2016, the Company acquired all of the outstanding equity interests of Dade Moeller. The purchase price allowed for the payment of \$3,000 in shares of the Company's stock or a combination of cash and shares of the Company's stock, at our discretion, payable in three equal annual installments of \$1,000. There was no outstanding balance on this obligation as of June 29, 2019. At December 29, 2018, the outstanding balance of this obligation was \$936.

Uncollateralized Promissory Notes

On June 3, 2019, the Company acquired Alta. The purchase price included an uncollateralized \$2,000 promissory note bearing interest at 4.0% ("Alta Note") and payable in four equal annual installments. The outstanding balance of the Alta Note was \$2,000 as of June 29, 2019.

On June 3, 2019, the Company acquired Page One. The purchase price included an uncollateralized \$1,000 promissory note bearing interest at 3.0% ("Page One Note") and payable in three equal annual installments. The outstanding balance of the Page One Note was \$1,000 as of June 29, 2019.

On March 22, 2019, we acquired The Sextant Group. The purchase price included an uncollateralized \$4,000 promissory note bearing interest at 4% ("The Sextant Group Note") and payable in four equal annual installments. The outstanding balance of The Sextant Group Note was \$4,000 as of June 29, 2019.

On December 31, 2018, we acquired certain assets of Celtic. The purchase price included an uncollateralized \$300 promissory note bearing interest at 3% (the "Celtic Note") payable in three equal annual installments. The outstanding balance of the Celtic note was \$300 as of June 29, 2019.

On November 2, 2018, we acquired CHI. The purchase price included an uncollateralized \$15,000 promissory note bearing interest at 3% (the "CHI Note") payable in four equal annual installments. The outstanding balance of the CHI Note was \$15,000 as of June 29, 2019 and December 29, 2018.

On August 24, 2018, the Company acquired CALYX. The purchase price included an uncollateralized \$4,000 promissory note bearing interest at 3.75% (the "CALYX Note") payable in four equal annual installments of \$1,000. The outstanding balance of the CALYX Note was \$4,000 as of June 29, 2019 and December 29, 2018.

On February 2, 2018, the Company acquired CSA. The purchase price included an uncollateralized \$600 promissory note bearing interest at 3.0% (the “CSA Note”) payable in four equal annual installments of \$150. The outstanding balance of the CSA Note was \$450 and \$600 as of June 29, 2019 and December 29, 2018, respectively.

On January 12, 2018, the Company acquired all of the outstanding equity interest in Butsko. The purchase price included an uncollateralized \$1,000 promissory note bearing interest at 3.0% (the “Butsko Note”) payable in four equal annual installments of \$250. The outstanding balance of the Butsko Note was \$750 and \$1,000 as of June 29, 2019 and December 29, 2018, respectively.

On September 6, 2017, the Company acquired all of the outstanding interests in Marron. The purchase price included an uncollateralized \$300 promissory note bearing interest at 3.0% (the “Marron Note”) payable in three equal annual installments of \$100. The outstanding balance of the Marron Note was \$200 as of June 29, 2019 and December 29, 2018.

On June 6, 2017, the Company acquired all of the outstanding equity interest in RDK. The purchase price included an uncollateralized \$5,500 promissory note bearing interest at 3.0% (the “RDK Note”) payable in four equal annual installments of \$1,375. The outstanding balance of the RDK Note was \$2,750 and \$4,125 as of June 29, 2019 and December 29, 2018, respectively.

On May 4, 2017, the Company acquired all of the outstanding equity interest in H&K. The purchase price included an uncollateralized \$600 promissory note bearing interest at 3.0% (the “H&K Note”) payable in four equal annual installments of \$150. The outstanding balance of the H&K Note was \$300 and \$450 as of June 29, 2019 and December 29, 2018, respectively.

On May 1, 2017, the Company acquired all of the outstanding equity interest in Lochrane. The purchase price included an uncollateralized \$1,650 promissory note bearing interest at 3.0% (the “Lochrane Note”) payable in four equal annual installments of \$413. The outstanding balance of the Lochrane Note was \$825 and \$1,238 as of June 29, 2019 and December 29, 2018, respectively.

On December 6, 2016, the Company acquired all of the outstanding interests of CivilSource. The purchase price included an uncollateralized \$3,500 promissory note bearing interest at 3.0% (the “CivilSource Note”) payable in four equal annual installments of \$875. The outstanding balance of the CivilSource Note was \$1,606 and \$2,625 as of June 29, 2019 and December 29, 2018, respectively.

On November 30, 2016, the Company acquired all of the outstanding interests of Hanna. The purchase price included an uncollateralized \$2,700 promissory note bearing interest at 3.0% (the “Hanna Note”) payable in four equal annual installments of \$675. The outstanding balance of the Hanna Note was \$1,350 as of June 29, 2019 and December 29, 2018.

On October 26, 2016, the Company acquired all of the outstanding interests of JBA. The purchase price included an uncollateralized \$7,000 promissory note bearing interest at 3.0% (the “JBA Note”) payable in five equal annual installments of \$1,400. The outstanding balance of the JBA Note was \$4,200 as of June 29, 2019 and December 29, 2018.

On September 12, 2016, the Company acquired certain assets of Weir. The purchase price included an uncollateralized \$500 promissory note bearing interest at 3.0% (the “Weir Note”) payable in four equal annual installments of \$125. The outstanding balance of the Weir Note was \$250 as of June 29, 2019 and December 29, 2018.

On May 20, 2016, the Company acquired all of the outstanding equity interests of Dade Moeller. The purchase price included an aggregate of \$6,000 of uncollateralized promissory notes bearing interest at 3.0% (the “Dade Moeller Notes”) payable in four equal annual installments of \$1,500. The outstanding balance of the Dade Moeller Notes was \$1,497 and \$3,036 as of June 29, 2019 and December 29, 2018, respectively.

On July 1, 2015, the Company acquired all of the outstanding equity interests of RBA. The purchase price included an uncollateralized \$4,000 promissory notes bearing interest at 3.0% (the “RBA Note”) payable in four equal annual installments. There was no outstanding balance on the RBA Note as of June 29, 2019. The outstanding balance of the RBA Note was \$1,000 as of December 29, 2018.

On January 30, 2015, the Company acquired all of the outstanding equity interests of JLA. The purchase price included an uncollateralized \$1,250 promissory note bearing interest at 3.5% (the “JLA Note”) payable in four equal annual installments of \$313. There was no outstanding balance on the JLA Note as of June 29, 2019. As of December 29, 2018, the outstanding balance of the JLA note was \$313.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of June 29, 2019.

Effects of Inflation

Based on our analysis of the periods presented, we believe that inflation has not had a material effect on our operating results. There can be no assurance that future inflation will not have an adverse impact on our operating results and financial condition.

Recently Issued Accounting Pronouncements

For information on recently issued accounting pronouncements, see Note 3 of the notes to the unaudited consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Cautionary Statement about Forward-Looking Statements

Our disclosure and analysis in this Quarterly Report on Form 10-Q, contain “forward-looking” statements within the meaning of Section 27A of the Securities Act Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995. From time to time, we also provide forward-looking statements in other materials we release to the public, as well as oral forward-looking statements. Forward-looking statements include, statements regarding our “expectations,” “hopes,” “beliefs,” “intentions,” or “strategies” regarding the future. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. We have tried, wherever possible, to identify such statements by using words such as “anticipate,” “believe,” “expect,” “intend,” “estimate,” “predict,” “project,” “may,” “might,” “should,” “would,” “will,” “likely,” “will likely result,” “continue,” “could,” “future,” “plan,” “possible,” “potential,” “target,” “forecast,” “goal,” “observe,” “seek,” “strategy” and other words and terms of similar meaning, but the absence of these words does not mean that a statement is not forward looking. The forward-looking statements in this Current Report on Form 10-Q reflect the Company’s current views with respect to future events and financial performance.

Forward-looking statements are not historical factors and should not be read as a guarantee or assurance of future performance or results, and will not necessarily be accurate indications of the times at, or by, or if such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management’s good faith beliefs, expectations and assumptions as of that time with respect to future events. Because forward-looking statements relate to the future, they are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include:

- our ability to retain the continued service of our key professionals and to identify, hire and retain additional qualified professionals;
- changes in demand from the local and state government and private clients that we serve;
- general economic conditions, nationally and globally, and their effect on the demand and market for our services;
- fluctuations in our results of operations;

- the government’s funding and budgetary approval process;
- the possibility that our contracts may be terminated by our clients;
- our ability to win new contracts and renew existing contracts;
- our dependence on a limited number of clients;
- our ability to complete projects timely, in accordance with our customers’ expectations, or profitability;
- our ability to successfully execute our mergers and acquisitions strategy, including the integration of new companies into our business;
- our ability to successfully manage our growth strategy;
- our ability to raise capital in the future;
- competitive pressures and trends in our industry and our ability to successfully compete with our competitors;
- our ability to avoid losses under fixed-price contracts;
- the credit and collection risks associated with our clients;
- our ability to comply with procurement laws and regulations;
- changes in laws, regulations, or policies;
- the enactment of legislation that could limit the ability of local, state and federal agencies to contract for our privatized services;
- our ability to complete our backlog of uncompleted projects as currently projected;
- the risk of employee misconduct or our failure to comply with laws and regulations;
- our ability to control, and operational issues pertaining to, business activities that we conduct with business partners and other third parties;
- our need to comply with a number of restrictive covenants and similar provisions in our senior credit facility that generally limit our ability to (among other things) incur additional indebtedness, create liens, make acquisitions, pay dividends and undergo certain changes in control, which could affect our ability to finance future operations, acquisitions or capital needs;
- significant influence by our principal stockholder and the existence of certain anti-takeover measures in our governing documents; and
- other factors identified throughout this Current Report on Form 10-Q, including those discussed under the headings “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business.”

The forward-looking statements contained in this report are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties, or assumptions, many of which are beyond our control, which may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, those factors described in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 29, 2018. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws. You are advised, however, to consult any further disclosures we make on related subjects in our Form 10-Q, 8-K and 10-K reports filed with the SEC. Our Annual Report on Form 10-K filing for the fiscal year ended December 29, 2018 listed various important factors that could cause actual results to differ materially from expected and historic results. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995, as amended. Readers can find them in “Item 1A. Risk Factors” of that filing and under the same heading of this filing. You may obtain a copy of our Annual Report on Form 10-K through our website, www.nv5.com. Information contained on our website is

not incorporated into this report. In addition to visiting our website, you may read and copy any document we file with the SEC at the SEC's Public Reference Room at 100 F. Street, NE, Washington, D.C. 20549 or at www.sec.gov. Please call the SEC at 1-800-SEC-0330 for information on the Public Reference Room.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to certain market risks from transactions that are entered into during the normal course of business. We have not entered into derivative financial instruments for trading purposes. We have no significant market risk exposure to interest rate changes related to the promissory notes related to acquisitions since these contain fixed interest rates. Our only debt subject to interest rate risk is the Senior Credit Facility which rates are variable, at our option, tied to a Eurocurrency rate equal to LIBOR (London Interbank Offered Rate) plus an applicable rate or a base rate denominated in U.S. dollars. Interest rates are subject to change based on our Consolidated Senior Leverage Ratio (as defined in the Credit Agreement). As of June 29, 2019, there was \$10,000 outstanding on the Senior Credit Facility. A one percentage point change in the assumed interest rate of the Senior Credit Facility would not have a material impact on our market risk.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

In connection with management's evaluation of the effectiveness of our internal control over financial reporting as of December 29, 2018, we identified a material weakness in our internal control over financial reporting related to revenues. This material weakness related solely to internal control deficiencies over the initial set up of project contracts in our project management system and adequate documentation to support the analysis of certain percentage of completion projects. The material weakness described herein did not result in a material misstatement to the Company's previously issued consolidated financial statements, nor in the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 29, 2018.

The Company has made progress toward remediating this material weakness (as described below under "Remediation Status of Reported Material Weakness"). As of June 29, 2019, the Company had not completed its remediation.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Although our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's disclosure controls and procedures were not effective as a result of a material weakness in our internal control over financial reporting, remedial steps have been taken in the to address the weakness and improve the process. The material weakness described herein did not result in a material misstatement to the Company's previously issued consolidated financial statements, nor in the condensed consolidated unaudited financial statements included in this Quarterly Report on Form 10-Q.

Remediation Status of Reported Material Weakness

Management continues to execute its plan to remediate the material weakness. As of June 29, 2019, management had performed the following activities:

- The Company completed its examination and analysis of the facts and circumstances giving rise to the material weakness under the supervision of the Chairman of the Audit Committee. The Company is addressing the examination findings through ongoing remediation. The Company continues to believe the remediation plan remains appropriate;
- The Company has enhanced its processes over the initial set up of project contracts and adequate documentation to support the analysis of percentage of completion projects and has made system enhancements to its project management system; and
- The Company has enhanced its processes for analyzing trends in margins in order to strengthen controls for the proper recognition of revenue.

The remediation steps outlined above are expected to strengthen the Company's internal control over financial reporting. Management plans to test the ongoing operating effectiveness of all new and modified controls and will consider the material weakness remediated after the applicable controls operate effectively for a sufficient period.

Changes in Internal Control Over Financial Reporting

There were no changes to the Company's internal control over financial reporting as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) that occurred during the quarter ended June 29, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting other than as described above.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we are subject to various legal proceedings that arise in the normal course of our business activities. As of the date of this Quarterly Report on Form 10-Q, we are not a party to any litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our results of operations or financial position.

ITEM 1A. RISK FACTORS.

There have been no material changes to any of the principal risks that we believe are material to our business, results of operations and financial condition, from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 29, 2018.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Recent Sales of Unregistered Securities

During the three months ended June 29, 2019, we issued the following securities that were not registered under the Securities Act:

In May 2019, we issued 14,523 shares of our common stock as partial consideration of our acquisitions of Lochrane Engineering Inc. and Dade Moeller & Associates, Inc. In June 2019, we issued 11,329 shares of our common stock as partial consideration for our acquisitions of Page One Consultants and Richard D. Kimball Co.

These shares were issued in reliance upon Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering. For a description of these acquisitions, see Note 5, Business Acquisitions, to the consolidated interim financial statements appearing under Part I of this Quarterly Report on Form 10-Q.

Issuer Purchase of Equity Securities

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

<u>Number</u>	<u>Description</u>
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to § 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to § 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith.

** Furnished herewith. This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filings of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NV5 GLOBAL, INC.

By: /s/ Edward Codispoti

Edward Codispoti

Chief Financial Officer

(Principal Financial and Accounting Officer)

Date: August 7, 2019

CERTIFICATION

I, Dickerson Wright, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 29, 2019 of NV5 Global, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

/s/ Dickerson Wright

Dickerson Wright
Chairman & Chief Executive Officer,
(Principal Executive Officer)

CERTIFICATION

I, Edward Codispoti, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 29, 2019 of NV5 Global, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

/s/ Edward Codispoti

Edward Codispoti
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of NV5 Global, Inc. (the "Company") on Form 10-Q for the quarter ended June 29, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Dickerson Wright, Chief Executive Officer of the Company, and Edward Codispoti, Chief Financial Officer of the Company, each certify, to the best of his knowledge, pursuant to Rule 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2019

/s/ Dickerson Wright

Dickerson Wright
Chairman & Chief Executive Officer,

Date: August 7, 2019

/s/ Edward Codispoti

Edward Codispoti
Chief Financial Officer

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates it by reference.

A signed original of this written statement required by Rule 13a-14(b) or 15d-14(b) of the Exchange Act and Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.