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Condensed Interim Consolidated Financial Statements

As at and for the nine months ending
September 30, 2022 and 2021 | Unaudited

PARK LAWN
CORPORATION

NOTICE TO READER

Park Lawn Corporation's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

(signed) "*Deborah Robinson*"
Deborah Robinson
Chair, Director

(signed) "*Marilyn Brophy*"
Marilyn Brophy
Director

PARK LAWN CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2022 AND DECEMBER 31, 2021
(U.S. dollars)

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*	January 1, 2021 *(Restated - see Note 4)*
Assets			
Current assets			
Cash	$ 31,068,869	$ 20,785,798	$ 24,721,246
Accounts receivable (Note 5)	17,636,604	17,965,513	11,007,943
Pre-need receivables, current portion (Note 5)	27,962,134	29,510,544	26,013,432
Inventories, current portion (Note 6)	10,492,293	9,655,131	9,506,457
Prepaid expenses and other assets (Note 14)	4,823,242	4,455,008	9,403,036
	91,983,142	82,371,994	80,652,114
Non-current assets			
Pre-need receivables, net of current portion (Note 5)	67,247,044	62,421,847	56,561,063
Inventories, net of current portion (Note 6)	71,291,214	72,468,737	72,178,199
Land held for development (Note 8)	26,497,101	26,247,318	20,911,669
Property and equipment (Note 9)	251,410,172	225,371,510	178,448,898
Care and maintenance trust fund investments (Note 10)	200,360,769	229,963,783	193,215,112
Pre-need merchandise and service trust fund investments (Note 11)	218,734,098	259,728,034	230,166,968
Deferred tax assets	6,274,110	4,859,502	4,038,934
Goodwill and intangibles (Note 7 and 13)	432,578,496	408,106,725	333,812,451
Deferred commissions	30,354,135	28,724,052	25,773,040
Prepaid expenses and other assets (Note 14)	4,925,394	5,797,193	6,360,126
	1,309,672,533	1,323,688,701	1,121,466,460
TOTAL ASSETS	$ 1,401,655,675	$ 1,406,060,695	$ 1,202,118,574
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	$ 37,414,946	$ 37,896,383	$ 35,479,685
Dividends payable (Note 20)	2,808,965	1,016,996	882,385
Current portion of long-term debt (Note 15)	53,267	168,148	277,560
Current portion of notes payable (Note 16)	1,538,084	3,449,682	2,118,300
Current portion of lease liabilities (Note 17)	1,239,310	1,081,669	1,692,367
	43,054,572	43,612,878	40,450,297
Non-current liabilities			
Long-term debt, net of current portion (Note 15)	131,665,441	84,635,893	112,587,982
Notes payable, net of current portion (Note 16)	11,039,821	9,452,445	6,254,921
Lease liabilities, net of current portion (Note 17)	4,368,279	3,870,299	4,034,453
Senior Unsecured Debentures (Note 18)	60,232,535	65,237,067	64,376,804
Deferred tax liabilities	14,385,998	12,282,702	9,819,128
Deferred revenue (Note 19)	165,757,310	157,244,144	137,898,510
Care and maintenance trusts' corpus (Note 10)	200,360,769	229,963,783	193,215,112
Deferred pre-need receipts held in trust (Note 11)	218,734,098	259,728,034	230,166,968
	806,544,251	822,414,367	758,353,878
Shareholders' Equity			
Share capital (Note 21)	509,023,367	509,011,563	388,447,668
Contributed surplus	14,073,327	11,939,676	8,654,292
Accumulated other comprehensive loss	(5,598,476)	(5,398,833)	(3,466,175)
Retained earnings	34,558,634	24,481,044	7,980,536
	552,056,852	540,033,450	401,616,321
Non-controlling interest	-	-	1,698,078
	552,056,852	540,033,450	403,314,399
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,401,655,675	$ 1,406,060,695	$ 1,202,118,574

Change in Presentation Currency (Note 4)
Commitments and Contingencies (Note 27)

Approved by the Board of Directors

"Deborah Robinson"
Deborah Robinson - Chair, Director

"Marilyn Brophy"
Marilyn Brophy, Director

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

PARK LAWN CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(U.S. dollars)

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 *(Restated - see Note 4)*	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 *(Restated - see Note 4)*
Net revenue				
Net sales	$ 76,408,863	$ 69,907,688	$ 228,993,874	$ 205,039,983
Income from care and maintenance funds (Note 10)	2,399,547	2,069,333	6,990,454	6,637,097
Interest and other income	2,063,195	1,060,994	3,982,099	4,145,298
	80,871,605	73,038,015	239,966,427	215,822,378
Cost of sales	13,017,239	11,579,023	39,418,746	34,393,209
Net revenue less cost of sales	67,854,366	61,458,992	200,547,681	181,429,169
Operating expenses				
General and administrative	39,126,114	31,926,830	114,105,419	93,871,976
Amortization of intangibles (Note 13)	162,662	277,467	864,235	1,102,227
Maintenance	7,485,168	6,729,203	21,310,569	19,532,161
Advertising and selling	8,277,213	8,111,865	24,297,609	24,088,622
Finance costs (Note 22)	2,209,301	1,845,010	5,490,681	5,970,288
Share-based incentive compensation (Note 23 and 25)	1,153,906	907,261	3,839,149	2,743,110
	58,414,364	49,797,636	169,907,662	147,308,384
Earnings from operations	9,440,002	11,661,356	30,640,019	34,120,785
Acquisition and integration costs (Note 7)	(1,834,889)	(1,439,573)	(4,591,205)	(3,673,379)
Other income (expenses) (Note 24)	(89,080)	(311,766)	1,438,421	(1,021,372)
Earnings before income taxes	7,516,033	9,910,017	27,487,235	29,426,034
Income tax expense	2,192,125	2,723,499	7,653,423	8,638,829
Net earnings for the period	$ 5,323,908	$ 7,186,518	$ 19,833,812	$ 20,787,205
Net earnings attributable to				
Equity holders of PLC	$ 5,323,908	$ 7,186,518	$ 19,833,812	$ 20,699,199
Non-controlling interest	-	-	-	88,006
	$ 5,323,908	$ 7,186,518	$ 19,833,812	$ 20,787,205
Attributable to equity holders of PLC				
Net earnings per share - basic	$ 0.155	$ 0.231	$ 0.579	$ 0.686
Net earnings per share - diluted	$ 0.153	$ 0.229	$ 0.570	$ 0.677
Weighted average number of common shares, net of shares held in trust (Note 21):				
- basic	34,315,507	31,092,526	34,268,572	30,157,416
- diluted	34,706,835	31,436,261	34,801,694	30,555,003

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

PARK LAWN CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(U.S. dollars)

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 *(Restated - see Note 4)*	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 *(Restated - see Note 4)*
Net earnings for the period	$ 5,323,908	$ 7,186,518	$ 19,833,812	$ 20,787,205
Item of other comprehensive income to be subsequently reclassified to net earnings				
Foreign currency translation of foreign operations	(149,651)	893,164	(199,643)	(2,012,641)
Comprehensive income	$ 5,174,257	$ 8,079,682	$ 19,634,169	$ 18,774,564

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

PARK LAWN CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(U.S. dollars)

	# of Common Shares Issued and Outstanding	Share Capital	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income/Loss	Non - Controlling Interest	Shareholders' Equity
Balance at January 1, 2021 (Restated - see Note 4)	29,564,526	$ 388,447,668	$ 8,654,292	$ 7,980,536	$ (3,466,175)	$ 1,698,078	$ 403,314,399
Dividends declared (Note 20)	-	-	-	(8,241,871)	-	-	(8,241,871)
Equity incentive plan (Note 23)	-	-	2,648,585	-	-	-	2,648,585
Shares issued:							
Dividend reinvestment plan (Note 21i)	66,519	1,710,999	-	-	-	-	1,710,999
Exercise of Equity incentive plan (Note 23)	188,547	3,451,892	(3,451,892)	-	-	-	-
Prospectus financing, net of costs (Note 21ii)	4,081,000	114,410,251	-	-	-	-	114,410,251
Other comprehensive income (loss)	-	-	-	-	(2,075,657)	63,016	(2,012,641)
Sale of non-strategic business	-	-	-	-	-	(1,849,100)	(1,849,100)
Foreign currency translation of foreign operations	-	-	-	-	-	-	-
Net earnings for the period	-	-	-	20,699,199	-	88,006	20,787,205
Balance at September 30, 2021 (Restated - see Note 4)	33,900,592	$ 508,020,811	$ 7,850,985	$ 20,437,864	$ (5,541,832)	$ -	$ 530,767,828
Balance at January 1, 2022 (Restated - see Note 4)	33,930,209	$ 509,011,563	$ 11,939,676	$ 24,481,044	$ (5,398,833)	$ -	$ 540,033,450
Dividends declared (Note 20)	-	-	-	(9,068,724)	-	-	(9,068,724)
Equity incentive plan (Note 23)	-	-	3,778,507	-	-	-	3,778,507
Shares issued:							
Dividend reinvestment plan (Note 21i)	63,515	1,655,602	-	-	-	-	1,655,602
Exercise of Equity incentive plan (Note 23)	81,847	1,644,856	(1,644,856)	-	-	-	-
Acquisition of non-controlling interest (Note 21 iii)	-	(270,556)	-	-	-	-	(270,556)
Shares purchased under normal course issuer bid and held in trust for future settlement of share based incentive compensation (Note 21)	(200,985)	(3,018,098)	-	(687,498)	-	-	(3,705,596)
Foreign currency translation of foreign operations	-	-	-	-	(199,643)	-	(199,643)
Net earnings for the period	-	-	-	19,833,812	-	-	19,833,812
Balance at September 30, 2022	33,874,586	$ 509,023,367	$ 14,073,327	$ 34,558,634	$ (5,598,476)	$ -	$ 552,056,852

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

PARK LAWN CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(U.S. dollars)

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
		(Restated - see Note 4)		*(Restated - see Note 4)*
Cash provided by (used in):				
Operating activities				
Net earnings for the period	$ 5,323,908	$ 7,186,518	$ 19,833,812	$ 20,787,205
Adjustments to reconcile net income to cash provided by (used in) operating activities:				
Loss on the sale of non-strategic business	-	-	-	700,301
Acquisition and integration costs	1,834,889	1,439,573	4,591,205	3,673,379
Deferred tax expense	(136,610)	1,622,481	142,688	1,195,450
Depreciation of property and equipment, and amortization of intangibles (Note 9 and 13)	3,532,315	2,796,191	9,960,942	8,602,015
Amortization of cemetery property	1,819,936	1,445,139	5,245,488	5,082,025
Amortization of deferred financing costs (Note 15 and 22)	118,266	193,627	334,386	501,479
Accretion expense on Senior Unsecured Debentures (Note 18 and 22)	154,913	149,891	459,926	440,261
Interest on lease liabilities (Note 17 and 22)	78,898	73,722	241,981	204,109
Share based incentive compensation (Note 23)	1,134,209	836,878	3,778,507	2,648,585
(Gain) loss on disposal of property and equipment (Note 9 and 24)	(14,139)	10,295	(1,852,156)	(3,983)
Impairment of other assets (Note 14 and 24)	-	240,693	153,972	240,693
Changes in working capital that provided (required) cash:				
Accounts receivable (Note 5)	(642,755)	(2,794,479)	82,030	(2,840,355)
Net receipts on pre-need activity	1,066,950	(690,602)	1,714,134	856,669
Merchandise inventories	(241,096)	174,638	(143,571)	75,497
Prepaid expenses and other current assets (Note 14)	1,212,892	(578,977)	(301,616)	182,360
Accounts payable and accrued liabilities	1,601,358	3,970,984	1,800,373	1,126,890
Cash provided by (used in) operating activities	16,843,934	16,076,572	46,042,101	43,472,580
Investing activities				
Acquisition and integration costs	(1,834,889)	(1,439,573)	(4,591,205)	(3,673,379)
Net cash on acquisitions (Note 7)	(34,576,537)	(47,178,660)	(49,376,537)	(71,462,142)
Acquisition of non-controlling interest (Note 21)	-	-	(270,556)	-
Additions to cemetery property	(1,116,165)	(1,082,289)	(3,046,644)	(3,270,574)
Acquisition of property and equipment (Note 9)	(4,558,619)	(4,518,184)	(13,212,279)	(12,241,202)
Proceeds on disposal of property and equipment (Note 9)	-	183,293	2,624,814	1,409,179
Net cash from sale of non-strategic business	-	-	-	2,705,995
Additions to intangible assets (Note 13)	(188,986)	(133,124)	(605,873)	(495,801)
Cash interest from other assets (Note 14)	120,264	41,155	181,210	604,934
Disposals (additions) to other assets (Note 14)	-	(91,335)	-	4,810,160
Cash provided by (used in) investing activities	(42,154,932)	(54,218,717)	(68,297,070)	(81,612,830)
Financing activities				
Proceeds from issuance of long-term debt (Note 15)	42,587,017	48,814,772	46,439,650	62,206,913
Repayment of long-term debt (Note 15)	(59,261)	(94,612,997)	(146,546)	(108,284,778)
Proceeds from prospectus financing, net of costs	-	112,874,590	-	112,874,590
Repayment of note payable (Note 16)	(643,423)	(565,169)	(2,751,638)	(1,723,679)
Repayment of lease liabilities (Note 17)	(290,483)	(555,913)	(1,174,167)	(1,418,300)
Dividends and distributions paid (Note 20)	(2,203,557)	(2,163,825)	(5,390,152)	(6,530,872)
Financing costs	(247,389)	(523,904)	(251,034)	(543,632)
Common share purchased and held in trust (Note 21)	(3,707,832)	-	(3,707,832)	-
Cash provided by (used in) financing activities	35,435,073	63,267,554	33,018,281	56,580,242
Translation adjustment on cash	(435,032)	(3,053,636)	(480,242)	(1,915,059)
Net increase (decrease) in cash	9,689,043	22,071,773	10,283,071	16,524,933
Cash, beginning of period	21,379,826	19,174,406	20,785,798	24,721,246
Cash, end of period	$ 31,068,869	$ 41,246,179	$ 31,068,869	$ 41,246,179
Supplemental disclosures:				
Income taxes paid	$ 1,351,428	$ 1,697,884	$ 5,536,063	$ 6,819,104
Interest expenses paid	$ 986,838	$ 417,761	$ 3,846,933	$ 3,874,434

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

1. NATURE OF OPERATIONS

Park Lawn Corporation (the "Company" or "PLC"), located at 2 St. Clair Ave. East, Suite 705, Toronto, Ontario, M4T 2T5, is an Ontario corporation which owns and operates cemeteries, crematoriums and funeral homes in Canada and the U.S. The Company is publicly traded on Toronto Stock Exchange (the "TSX") under the stock symbol "PLC" and "PLC.U", its U.S. denominated ticker symbol, under which purchases and sales of common shares of the Company ("Common Shares") can be made in U.S. dollars.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), on a basis consistent with policies disclosed in the Company's annual audited consolidated financial statements for the fiscal year ended December 31, 2021, which were prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Certain information and footnote disclosure normally included in the annual audited consolidated financial statements, prepared in accordance with IFRS, have been omitted or are condensed. These unaudited condensed interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2021.

The financial information included herein reflects all adjustments that, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the periods ended September 30, 2022, and 2021 are not necessarily indicative of the results to be expected for the full year.

These unaudited condensed interim consolidated financial statements were approved by the board of directors of the Company (the "Board of Directors") on November 9, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

b. Functional currency

The functional currency of the parent Company and its Canadian subsidiaries is the Canadian dollar (“CAD” or “C$”). The functional currency of the Company’s U.S. subsidiaries is the U.S. dollar (“USD” or “US$”). The unaudited condensed interim consolidated financial statements are presented in USD.

Effective January 1, 2022, the Company changed its presentation currency from the CAD to USD to better reflect the Company’s business activities and provide more relevant reporting of the Company’s financial position, given that a significant portion of the Company’s revenues, expenses, cash flows and assets are USD denominated. The financial statements of entities with a functional currency that is not USD have been translated into USD in accordance with IAS 21 - *The Effects of Changes in Foreign Exchange Rates*. All comparative period amounts have been restated to reflect the change in presentation currency. Further details are provided in Note 4 of the unaudited condensed interim consolidated financial statements - Changes in Accounting Policies. Assets and liabilities are translated at the closing rate at the end of each reporting period. Profit or loss items are translated at average exchange rates for all the relevant periods. Equity transactions have been translated at the exchange rates prevailing at the date of the transactions. All resulting translation differences are recognized as a component of other comprehensive income(loss) and as a component of accumulated other comprehensive income(loss) in equity.

3. CRITICAL ESTIMATES AND JUDGEMENTS

Use of estimates

The preparation of these unaudited condensed interim consolidated financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed interim consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period could result in a material adjustment to the carrying amounts of assets, liabilities, and equity in the event that actual results differ from assumptions. These assumptions are disclosed in Note 3 to the Company's audited annual consolidated financial statements for the year ended December 31, 2021.

During the quarter ended September 30, 2022, PLC's operating performance continued to normalize as the COVID-19 pandemic trends towards an endemic. As a result, the impacts of the COVID-19 pandemic on PLC's sequential and year-over-year performance were reduced. Although management expects revenue from Comparable Operations to decrease year-over-year compared to the fourth quarter of 2021 and the first quarter of 2022 as mortality rates normalize, due to uncertainties relating to the severity and duration of the COVID-19 pandemic, including existing and possible future variants, and various potential outcomes, it is difficult at this time to estimate the full extent of the impact of the COVID-19 pandemic on PLC's business or future financial results and related assumptions. The Company's business and financial results could be negatively impacted in future periods. However, the extent to which the COVID-19 pandemic may adversely impact PLC will depend on future developments that are difficult to predict, including the continued distribution of approved vaccines and treatments, and the potential development and distribution of new vaccines and treatments, as well as new information which may emerge concerning the severity, duration and resurgences of the COVID-19 pandemic and its variants and the actions required to contain such health risks or remedy its impacts, among others.

4. CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2022, the Company changed its presentation currency from CAD to USD. This change will provide shareholders with a better reflection of the Company's business activities and provide more relevant reporting of the Company's financial position, given that a significant portion of the Company's expenses, cash flows, assets and revenues are denominated in USD. The change in presentation currency represents a voluntary change in accounting policy. The Company has applied the presentation currency change retrospectively. All periods presented in the unaudited condensed interim consolidated financial statements have been translated into the new presentation currency, in accordance with the guidance in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

The unaudited condensed interim consolidated statements of earnings and the unaudited condensed interim consolidated statements of cash flows have been translated into the presentation currency using the average exchange rates prevailing during each reporting period. In the unaudited condensed interim consolidated statements of financial position, all assets and liabilities have been translated using the period-end exchange rates, and all resulting exchange differences have been recognized in accumulated other comprehensive loss. Asset and liability amounts previously reported in CAD have been translated into USD as at January 1, 2021, and December 31, 2021, using the period-end exchange rates below and shareholders' equity balances have been translated using historical rates in effect on the date of the transactions.

CAD/USD Exchange Rate	**Three month period ended,**		**Nine month period ended,**		**Year ended**	**Year opening**
	September 30, 2022	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**	**December 31, 2021**	**January 1, 2021**
Closing rate at the reporting date	0.7231	0.7849	0.7231	0.7849	0.7888	0.7854
Average rate for the period	0.7659	0.7937	0.7794	0.7992	0.7978	0.7461

The change in presentation currency resulted in the following impact on January 1, 2021, opening unaudited condensed interim consolidated statement of financial position:

	Previously reported in CAD January 1, 2021	Presentation currency change	Reported in USD January 1, 2021
Total assets	$ 1,530,537,368	$ (328,418,794)	$ 1,202,118,574
Total liabilities	1,017,037,479	(218,233,304)	798,804,175
Total equity	513,499,889	(110,185,490)	403,314,399

4. CHANGES IN ACCOUNTING POLICIES – continued

The change in presentation currency resulted in the following impact on the December 31, 2021, annual audited consolidated statement of financial position:

	Previously reported in CAD December 31, 2021 *(Restated - see Note 7)*	Presentation currency change	Reported in USD December 31, 2021
Total assets	$ 1,782,603,749	$ (376,543,054)	$ 1,406,060,695
Total liabilities	1,097,949,341	(231,922,096)	866,027,245
Total equity	684,654,407	(144,620,957)	540,033,450

The change in presentation currency resulted in the following impact on the three months ended September 30, 2021, unaudited condensed interim consolidated statements of earnings and comprehensive income:

	Previously reported in CAD September 30, 2021	Presentation currency change	Reported in USD September 30, 2021
Net revenue	$ 92,047,771	$ (19,009,756)	$ 73,038,015
Operating expenses	62,750,238	(12,952,602)	49,797,636
Net earnings	9,053,757	(1,867,239)	7,186,518
Comprehensive income	27,039,695	(18,960,013)	8,079,682

The change in presentation currency resulted in the following impact on the nine months ended September 30, 2021, unaudited condensed interim consolidated statements of earnings and comprehensive income:

	Previously reported in CAD September 30, 2021	Presentation currency change	Reported in USD September 30, 2021
Net revenue	$ 270,055,652	$ (54,233,274)	$ 215,822,378
Operating expenses	184,318,621	(37,010,237)	147,308,384
Net earnings	26,016,513	(5,229,308)	20,787,205
Comprehensive income	26,686,952	(7,912,388)	18,774,564

The change in presentation currency resulted in the following impact on the three months ended September 30, 2021, unaudited condensed interim consolidated statements of cash flows:

	Previously reported in CAD September 30, 2021	Presentation currency change	Reported in USD September 30, 2021
Cash provided by (used in):			
Operating activities	$ 19,960,070	$ (3,883,498)	$ 16,076,572
Investing activities	(67,568,468)	13,349,751	(54,218,717)
Financing activities	78,865,493	(15,597,939)	63,267,554

4. CHANGES IN ACCOUNTING POLICIES – continued

The change in presentation currency resulted in the following impact on the nine months ended September 30, 2021, unaudited condensed interim consolidated statements of cash flows:

	Previously reported in CAD September 30, 2021	Presentation currency change	Reported in USD September 30, 2021
Cash provided by (used in):			
Operating activities	$ 54,128,872	$ (10,656,292)	$ 43,472,580
Investing activities	(101,944,421)	20,331,591	(81,612,830)
Financing activities	70,526,545	(13,946,303)	56,580,242

The change in presentation currency resulted in the following impact on the three months ended September 30, 2021, basic and diluted earnings per share:

Previously reported in CAD September 30, 2021	Presentation currency change	Reported in USD September 30, 2021
$ 0.291	$ (0.060)	$ 0.231
0.288	(0.059)	0.229

The change in presentation currency resulted in the following impact on the nine months ended September 30, 2021, basic and diluted earnings per share:

Previously reported in CAD September 30, 2021	Presentation currency change	Reported in USD September 30, 2021
$ 0.859	$ (0.173)	$ 0.686
0.848	(0.171)	0.677

5. ACCOUNTS RECEIVABLE AND PRE-NEED RECEIVABLES

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Accounts receivable	$ 17,636,604	$ 17,965,513
Pre-need receivables, current portion	27,962,134	29,510,544
Pre-need receivables, net of current portion	67,247,044	62,421,847
Total	$ 112,845,782	$ 109,897,904

Included in the figures above are allowances for doubtful accounts and allowances for sales returns as shown in the table below:

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Beginning of the period	$ 12,124,642	$ 10,619,818
Additions to allowances	2,911,221	2,740,685
Cancellations	(812,501)	(1,239,035)
Foreign currency translation	(26,355)	3,174
End of period	$ 14,197,007	$ 12,124,642

6. INVENTORIES

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Merchandise inventories	$ 4,125,466	$ 3,937,630
Cemetery lots	42,172,158	35,435,746
Crypts and niches	31,044,064	35,335,938
Construction in progress	4,441,819	7,414,554
Total	$ 81,783,507	$ 82,123,868
Current portion	10,492,293	9,655,131
Non-current portion	$ 71,291,214	$ 72,468,737

There were no inventory write-downs in either period.

7. BUSINESS COMBINATIONS

Acquisitions completed in fiscal 2022

	Preliminary Q2 Acquisitions	Preliminary Q3 Acquisitions	Preliminary Shackelford	Total
Assets acquired:				
Cash	$ -	$ -	$ 988,395	$ 988,395
Accounts receivable	12,188	-	9,933	22,121
Pre-need receivables	-	-	-	-
Inventories	264,907	1,800,000	690,000	2,754,907
Land held for development	200,000	150,000	130,000	480,000
Property and equipment	5,474,976	4,204,772	15,560,363	25,240,111
Care and maintenance trust fund investments	168,435	1,306,546	-	1,474,981
Pre-need merchandise and service trust fund investments	143,103	2,541,384	1,247,098	3,931,585
Goodwill	8,584,400	748,798	10,789,144	20,122,342
Intangibles	1,344,000	1,805,000	2,694,000	5,843,000
Deferred commissions	-	-	-	-
Prepaid expenses and other assets	-	-	-	-
Total assets	$ 16,192,009	$ 12,556,500	$ 32,108,933	$ 60,857,442
Liabilities assumed:				
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -
Long-term debt	-	-	-	
Lease liabilities	-	-	55,969	55,969
Deferred tax liabilities	-	-	-	-
Deferred revenue	-	-	2,583,559	2,583,559
Care and maintenance trusts' corpus	168,435	1,306,546	-	1,474,981
Deferred pre-need receipts held in trust	143,103	2,541,384	1,247,098	3,931,585
	311,538	3,847,930	3,886,626	8,046,094
Fair value of consideration transferred:				
Cash consideration	14,800,000	8,250,000	27,314,932	50,364,932
Deferred cash consideration	1,080,471	458,570	907,375	2,446,416
Working capital	-	-	-	-
	15,880,471	8,708,570	28,222,307	52,811,348
Total liabilities and considerations	$ 16,192,009	$ 12,556,500	$ 32,108,933	$ 60,857,442

(i) On April 18, 2022, the Company acquired substantially all the assets of Chancellor Funeral Home and Garden of Memories ("Chancellor"), a business consisting of one stand-alone funeral home and one combination funeral home and cemetery property located in Byram and Florence, Mississippi.

(ii) On June 6, 2022, the Company acquired substantially all the assets of Hudson Funeral Home & Cremation Services ("Hudson"), a business consisting of one stand-alone funeral home located in Durham, North Carolina.

The collective purchase price for Chancellor and Hudson was $15,880,471.

7. BUSINESS COMBINATIONS – continued

Acquisitions completed in fiscal 2022 - continued

(iii) On August 8, 2022, the Company acquired substantially all the assets of Farris Funeral Service, Inc. and Affiliated Service Group, Inc. ("Farris"), a group of businesses consisting of one stand-alone funeral home and one on-site funeral home and cemetery located in Abingdon, Virginia for a purchase price of $8,708,570.

(iv) On September 12, 2022, the Company acquired substantially all the assets of Shackelford Corporation ("Shackelford"), a group of businesses consisting of eight stand-alone funeral homes, two stand-alone cemeteries and one on-site funeral home and cemetery located in and around the Savannah, Tennessee area for a purchase price of $28,222,307.

The fair value allocations for Chancellor, Hudson, Farris and Shackelford acquisitions are based on preliminary purchase allocations conducted by management. As the acquisitions are within the measurement period under IFRS 3 they continue to be refined. The Company is gathering information to finalize the fair value of inventories, land held for development, property and equipment, intangibles and deferred revenue.

The above acquisitions include deferred cash consideration which primarily relates to non-compete agreements and other seller notes. In relation to these acquisitions, the Company incurred expenses on legal services, financial and tax due diligence, post closing audits, preparation of independent valuation reports to substantiate purchase price allocations, preparation of reports for regulatory compliance purposes, and internal compensation. Direct acquisition costs were $2,476,078 for the nine month period ended September 30, 2022.

For the above acquisitions, goodwill encompasses qualitative factors such as location heritage and workforce synergies.

7. BUSINESS COMBINATIONS – continued

Acquisitions completed in fiscal 2021

The Company has restated the comparative figures in the consolidated statement of financial position based on the measurement period adjustments related to the purchase price allocations for the acquisitions of Williams Businesses, Mississippi Businesses, Williamson Businesses, Pugh, Smith Businesses and Ingram, described below. The following table summarizes the effects of the change on the line items of the consolidated statement of financial position for the year ended December 31, 2021.

	December 31, 2021 *As previously stated*	*Adjustments*	December 31, 2021 *As restated*
Pre-need receivables, net of current portion	$ 62,415,463	$ 6,384	$ 62,421,847
Inventories	72,458,684	10,053	72,468,737
Land held for development	26,442,099	(194,781)	26,247,318
Property and equipment	225,080,851	290,659	225,371,510
Goodwill and intangibles	409,008,075	(901,350)	408,106,725
Deferred commission	28,452,317	271,735	28,724,052
Prepaid expenses and other assets	5,569,640	227,553	5,797,193
Lease liabilities, net of current portion	(3,453,321)	(416,978)	(3,870,299)
Deferred tax liabilities	(12,777,195)	494,493	(12,282,702)
Deferred revenue	(157,456,376)	212,232	(157,244,144)
Total	$ 655,740,237	$ -	$ 655,740,237

7. BUSINESS COMBINATIONS – continued

Acquisitions completed in fiscal 2021 – continued

The following table summarizes the statement of financial position impact on the acquisition date of the Company's business combinations that occurred in the year ended December 31, 2021:

	Final Mississippi Businesses	Final Other	Preliminary Other	Total
Assets acquired:				
Cash	$ 627,509	$ 125,186	$ -	$ 752,695
Accounts receivable	323,760	264,324	-	588,084
Pre-need receivables	216,085	537,469	-	753,554
Inventories	437,000	3,610,046	668,273	4,715,319
Land held for development	356,150	1,905,842	1,690,000	3,951,992
Property and equipment	13,591,847	26,410,223	3,971,809	43,973,879
Care and maintenance trust fund investments	631,160	8,841,505	-	9,472,665
Pre-need merchandise and service trust fund investments	4,051,899	9,887,794	-	13,939,693
Goodwill	16,221,111	38,995,611	9,651,665	64,868,387
Intangibles	2,841,000	7,565,026	1,496,292	11,902,318
Deferred commissions	98,575	488,178	-	586,753
Prepaid expenses and other assets	134,660	-	-	134,660
Total assets	$ 39,530,756	$ 98,631,204	$ 17,478,039	$ 155,639,999
Liabilities assumed:				
Accounts payable and accrued liabilities	$ 376,909	$ 39,417	$ -	$ 416,326
Lease liabilities	222,667	152,257	104,223	479,147
Deferred tax liabilities	959,575	216,043	-	1,175,618
Deferred revenue	984,031	3,450,666	-	4,434,697
Care and maintenance trusts' corpus	631,160	8,841,505	-	9,472,665
Deferred pre-need receipts held in trust	4,051,899	9,887,794	-	13,939,693
	7,226,241	22,587,682	104,223	29,918,146
Fair value of consideration transferred:				
Cash consideration	32,450,000	71,298,485	16,312,500	120,060,985
Deferred cash consideration	-	4,745,037	1,061,316	5,806,353
Working capital	(145,485)	-	-	(145,485)
	32,304,515	76,043,522	17,373,816	125,721,853
Total liabilities and considerations	$ 39,530,756	$ 98,631,204	$ 17,478,039	$ 155,639,999

(v) On April 1, 2021, the Company completed the acquisition of Wichmann Funeral Home & Crematory, Inc., BDB Company LLP and 312 Milwaukee Street, LLC in Appleton, Menasha, Kaukauna and Kimberly, Wisconsin (collectively the "Wichmann Businesses"). The Wichmann Businesses consist of five funeral homes and one cremation business in the Madison area.

(vi) On April 22, 2021, the Company completed the acquisition of the assets of West Funeral Home, Inc., West Monument Company and Cemetery, Inc. and Sky View Memorial Park, Inc., in Asheville and Weaverville, North Carolina (collectively the "West Businesses"). The West Businesses consist of one funeral home, three cemeteries and one monument company.

7. BUSINESS COMBINATIONS – continued

Acquisitions completed in fiscal 2021 – continued

(vii) On May 1, 2021, the Company completed the acquisition of all the issued and outstanding membership interests of Cremation Society of Tennessee and Family Care Services, LLC, as well as all the issued and outstanding stock of Polk Memorial Gardens Corporation and Williams Funeral Home, Inc. with businesses located in Columbia, Mt. Pleasant and Pulaski, Tennessee (collectively the "Williams Businesses"). The Williams Businesses consist of two funeral homes, three cemeteries and one cremation business in Middle, Tennessee.

(viii) On August 9, 2021, the Company purchased one on-site funeral home/cemetery property and ten stand-alone funeral homes in Mississippi (collectively the "Mississippi Businesses"). The Company purchased all the outstanding stock and membership interests of the Mississippi Businesses. These businesses both complement the Company's existing operations in Jackson, as well as represent new expansion into the Gulf Coast market. The purchase price for the Mississippi Businesses was $32,450,000.

(ix) On September 1, 2021, the Company acquired substantially all the assets of Williamson Memorial Funeral Home & Cremation Services and Spring Hill Memorial Park, Funeral Home & Cremation Services in Franklin and Spring Hill, Tennessee, (collectively the "Williamson Businesses"). These properties consist of two combination funeral home and cemetery properties.

(x) On October 1, 2021, the Company acquired substantially all the assets of Malcolm, Deavitt & Binhammer Funeral Home Limited ("MDB"), a funeral home located in Pembroke, Ontario. The MDB funeral home complements the Company's existing locations near Ottawa.

(xi) On October 25, 2021, the Company acquired substantially all the assets of Pugh Funeral Homes and New Hope Memorial Gardens (collectively the "Pugh"), a business consisting of five funeral homes and one cemetery located in central North Carolina.

(xii) On November 15, 2021, the Company purchased substantially all the assets of Smith Funeral & Cremation Service, Life & Legacy Cremation Center and Smith Event Centers, as well as Grandview Cemetery and Cremation by Grandview (collectively the "Smith Businesses"), comprised of one funeral home, one combination funeral home and cemetery property and five event centers in Maryville, Tennessee.

(xiii) On December 13, 2021, the Company acquired substantially all the assets of Ingram Funeral Home and Crematory, Inc. ("Ingram" business), a business consisting of a stand-alone funeral home located in Cumming, Forsyth Country, Georgia.

The collective purchase price for Wichmann, West, Williams, Williamson Businesses, MDB, Pugh, Smith Businesses was $76,043,522 and Ingram was $17,373,816.

7. BUSINESS COMBINATIONS – continued

Acquisitions completed in fiscal 2021 – continued

The purchase price allocation for Wichmann and West Businesses acquisitions was finalized in the fourth quarter of 2021, Williams Businesses in the first quarter of 2022, Mississippi Businesses and MDB in the second quarter of 2022, Williamson Businesses, Pugh, and Smith Businesses in the third quarter of 2022.

The fair value allocations for Ingram acquisition are based on preliminary purchase allocations conducted by management. As the acquisitions are within the measurement period under IFRS 10, they continue to be refined. The Company is gathering information to finalize the fair value of inventories, property and equipment and intangibles.

The above acquisitions include deferred cash consideration which primarily relates to non-compete agreements and other seller notes. In relation to these acquisitions, the Company incurred expenses on legal services, financial and tax due diligence, post closing audits, preparation of independent valuation reports to substantiate purchase price allocations, preparation of reports for regulatory compliance purposes, and internal compensation. Direct acquisition costs were $2,017,832 for the nine month period ended September 30, 2021.

For the above acquisitions, goodwill encompasses qualitative factors such as location heritage and workforce synergies.

Canadian acquisition transactions are initially recognized in USD at the rates of exchanges in effect on the transaction dates. Subsequently, the assets and liabilities are translated at the rate in effect at the unaudited condensed interim consolidated statement of financial position date.

8. LAND HELD FOR DEVELOPMENT

Land held for development represents land held for future cemetery, funeral, and other development opportunities.

	January 1, 2022	Acquired in business combinations	Additions	Transferred to inventory	Disposals	Foreign currency translation	September 30, 2022
Cost:							
Land held for development	26,247,318	480,000	136,294	(85,299)	-	(281,212)	26,497,101
Total	$ 26,247,318						$ 26,497,101

	January 1, 2021	Acquired in business combinations	Additions	Transferred to inventory	Disposals	Foreign currency translation	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Cost:							
Land held for development	20,911,669	3,951,992	1,555,510	(186,179)	-	14,326	26,247,318
Total	$ 20,911,669						$ 26,247,318

9. PROPERTY AND EQUIPMENT

	January 1, 2022	Acquired in business combinations	Additions	Disposals	Foreign currency translation	September 30, 2022
Cost:						
Land	$ 56,891,055	1,547,000	3,773,924	(271,560)	(271,746)	$ 61,668,673
Buildings, cemetery and funeral	149,959,754	21,532,222	7,812,316	(531,445)	(2,104,298)	176,668,549
Machinery, equipment and automotive	29,040,173	2,104,920	2,742,005	(367,926)	(365,887)	33,153,285
Cemetery improvements	14,598,994	-	(2,786,984)	(214,839)	(271,001)	11,326,170
Right-of-use asset	8,296,058	55,969	3,478,004	(3,086,509)	(426,418)	8,317,104
Total	258,786,034	25,240,111	15,019,265	(4,472,279)	(3,439,350)	291,133,781
Accumulated depreciation:						
Buildings, cemetery and funeral	14,849,055	-	3,890,969	(468,901)	(261,109)	18,010,014
Machinery, equipment and automotive	11,328,757	-	3,274,148	236,285	(202,680)	14,636,510
Cemetery improvements	3,622,149	-	620,708	(41,802)	(101,305)	4,099,750
Right-of-use asset	3,614,563	-	1,310,882	(1,854,003)	(94,107)	2,977,335
Total	33,414,524	-	9,096,707	(2,128,421)	(659,201)	39,723,609
Net book value	$ 225,371,510					$ 251,410,172

	January 1, 2021	Acquired in business combinations	Additions	Disposals	Foreign currency translation	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Cost:						
Land	$ 46,866,133	11,311,935	141,921	(1,477,876)	48,942	$ 56,891,055
Buildings, cemetery and funeral	115,596,866	27,287,866	12,874,671	(5,908,474)	108,825	149,959,754
Machinery, equipment and automotive	19,651,215	4,894,931	5,781,408	(1,309,336)	21,955	29,040,173
Cemetery improvements	13,516,182	-	1,071,006	(650)	12,456	14,598,994
Right-of-use asset	8,291,270	479,147	342,341	(842,991)	26,291	8,296,058
Total	203,921,666	43,973,879	20,211,347	(9,539,327)	218,469	258,786,034
Accumulated depreciation:						
Buildings, cemetery and funeral	10,978,652	-	4,931,786	(1,088,614)	27,231	14,849,055
Machinery, equipment and automotive	8,519,895	-	3,411,508	(614,479)	11,833	11,328,757
Cemetery improvements	3,194,048	-	425,671	-	2,430	3,622,149
Right-of-use asset	2,780,173	-	1,619,799	(787,527)	2,118	3,614,563
Total	25,472,768	-	10,388,764	(2,490,620)	43,612	33,414,524
Net book value	$ 178,448,898					$ 225,371,510

9. PROPERTY AND EQUIPMENT - continued

Property and equipment depreciation expense amounted to $9,096,707 and $7,499,788 for the nine month periods ended September 30, 2022, and 2021, respectively. Property and equipment depreciation expense amounted to $3,369,653 and $2,518,725 for the three month periods ended September 30, 2022, and 2021, respectively. Depreciation expense is included in general and administrative expenses on the unaudited condensed interim consolidated statements of earnings.

Included in additions at September 30, 2022, are $5,201,618 of additions at Canadian cemeteries and funeral sites (at December 31, 2021 - $8,332,442) and $9,817,647 of additions at U.S. cemeteries and funeral sites (at December 31, 2021 - $11,878,905).

During the nine month period ended September 30, 2022, the Company disposed of land and miscellaneous equipment for a sale price of $2,624,814 realizing a net gain of $1,852,156. During the three month period ended September 30, 2022, the Company disposed of miscellaneous equipment which resulted in a net gain of $14,139.

During the nine month period ended September 30, 2021, the Company disposed of miscellaneous equipment for a sale price of $1,409,179 realizing a net gain of $3,983. During the three month period ended September 30, 2021, the Company disposed of miscellaneous equipment for a sale price of $183,293 realizing a net loss of $10,295.

The gains and losses described above on the sale of property and equipment are included in other income (expenses).

The disposal in 2021 of $5,317,935 relates to the sale of Parkland Funeral Holdings Ltd. ("Parkland"), a non-strategic business located in Manitoba and Saskatchewan.

Management has reviewed the valuation of the property and equipment and has not identified any indicators of impairment in the value of the property and equipment.

10. CARE AND MAINTENANCE TRUST FUND INVESTMENTS

The Company's care and maintenance trust funds were established, as required by provincial and state regulations, to receive principal contributions from the Company upon the sale of cemetery lots, mausoleum crypts and niches. Under provincial and state law these trusts are legally separate from the Company.

Pursuant to the requirements of provincial and state regulations, the Company is required to deposit a portion of the proceeds received in respect of the sale of cemetery lots, mausoleum crypts and niches into trust. Such amounts are netted against net sales at the time of the sale.

The principal of these trusts is recorded in the consolidated statements of financial position and represents these contributions to the trusts and accumulated income associated with trust holdings. The corpus generally remains in perpetuity, and the income can be withdrawn from the trusts to defray the maintenance costs incurred by the cemetery based on state and provincial regulations. In the United States and Canada, many jurisdictions require capital gains and losses to be held in perpetuity in these trusts, however, certain jurisdictions allow net capital gains and losses to be included in the income that is paid to the Company. Additionally, some jurisdictions allow a total return distribution to the Company which may contain income, net capital appreciation, and principal.

Provincial and state regulations allow for periodic withdrawals of income from the care and maintenance trust funds and the Company generally requests that the trustee distribute allowable income monthly. The trustees of the care and maintenance trust funds provide a monthly statement that includes an accounting of interest, dividends, realized capital gains/losses, and unrealized capital gains. The Company accrues income at the end of a reporting period when the income will not be distributed until the beginning of the next period to the extent it has expenses, as defined by applicable state and provincial regulations, in excess of the income generated by the trust.

Annually, in accordance with certain provincial and state regulations, the Company provides, to the respective governing bodies, a reconciliation of income withdrawn relative to allowable costs.

The Company defers any income from the care and maintenance trust funds to the extent it does not incur any allowable expenses.

Investment income recognized in operations amounted to $6,990,454 and $6,637,097 for the nine month period ended September 30, 2022, and 2021, respectively. Investment income recognized in operations amounted to $2,399,547 and $2,069,333 for the three month period ended September 30, 2022, and 2021, respectively.

10. CARE AND MAINTENANCE TRUST FUND INVESTMENTS - continued

Care and maintenance trust fund investments consist of the following:

	Fair Value		Cost	
	September 30, 2022	December 31, 2021 *(Restated - see Note 4)*	September 30, 2022	December 31, 2021 *(Restated - see Note 4)*
Cash and cash equivalents	$ 5,315,445	$ 9,920,442	$ 5,315,445	$ 9,918,598
Fixed Income				
Canadian				
Corporate	4,208,254	4,713,384	4,760,973	5,195,813
Government	140,693	175,269	126,300	137,770
US				
Corporate	971,973	3,846,246	1,110,729	3,871,770
Government	446,699	-	521,735	-
Equities				
Canadian	47,802,124	51,670,656	41,579,321	40,131,615
US	3,460,647	16,689,645	4,578,074	13,562,700
Canadian Preferred	2,641,072	3,373,146	2,500,611	2,727,703
US Preferred	904,809	3,261,831	1,204,735	3,298,455
Mutual Funds/ETFs				
Equity	31,736,526	34,589,287	59,584,773	32,808,342
Fixed Income	51,030,395	51,323,317	38,146,895	51,676,565
Preferred	24,845,718	26,376,716	30,478,066	26,761,025
Alternative	26,856,414	24,023,844	24,381,591	20,982,067
	$ 200,360,769	$ 229,963,783	$ 214,289,248	$ 211,072,423

11. PRE-NEED MERCHANDISE AND SERVICE TRUST FUND INVESTMENTS

Pre-need merchandise and service trust funds were established as required by provincial and state regulations to hold funds paid in advance of need, for pre-arranged services.

The trustees of the pre-need and service trust funds provide a monthly statement that includes an accounting of interest, dividends, realized capital gains/losses, and unrealized capital gains. The interest, dividends, and realized capital gains/losses are then allocated, on a pro-rata basis, over the principal amount held in trust for each contract and for each line item of the contract that is not yet delivered. When the contract becomes at-need and the performance obligations are met, the principal and accumulated earnings relating to the delivered items on the contract are withdrawn from the trust fund and recognized as income in accordance with relevant revenue recognition standards.

Pre-need merchandise and service trust fund investments consist of the following:

	Fair Value		Cost	
	September 30, 2022	December 31, 2021 *(Restated - see Note 4)*	September 30, 2022	December 31, 2021 *(Restated - see Note 4)*
Cash and cash equivalents	$ 15,379,398	$ 18,583,470	$ 15,379,398	$ 18,582,822
GIC's	23,874,914	26,174,084	23,874,914	26,174,084
Fixed Income				
Canadian				
Corporate	-	20,276	-	19,624
Government	-	18,254	-	18,419
US				
Corporate	5,664,776	8,889,255	5,689,074	8,826,965
Government	697,419	-	813,553	-
Equities				
Canadian	186,510	186,014	139,578	131,556
US	1,228,448	12,680,100	1,233,642	9,988,206
Canadian Preferred	5,081	-	6,166	-
US Preferred	208,433	2,310,949	264,165	2,274,136
Mutual Funds/ETFs				
Equity	73,994,302	102,369,828	101,779,918	104,864,670
Fixed Income	48,604,842	57,574,543	56,795,881	56,777,442
Preferred	-	-	-	-
Alternative	48,889,975	30,921,261	47,789,603	27,851,904
	$ 218,734,098	$ 259,728,034	$ 253,765,892	$ 255,509,828

12. PREARRANGED FUNERAL INSURANCE CONTRACTS

In addition to trust funded pre-arranged funeral service contracts, the Company also has pre-arranged funeral service contracts which are funded by insurance. As of September 30, 2022, the current face amount of pre-funded policies was $492,894,950 (as at December 31, 2021 – $437,843,714). Families who have pre-arranged with the Company will receive a refund to the extent that the face amount of the policy exceeds the current retail value of the merchandise and services to be provided. The insurance funded contracts are not included in the consolidated financial statements as the Company is not the beneficiary of the policy. Amounts funded through insurance are available to the Company when the funeral services are performed.

13. GOODWILL AND INTANGIBLES

The changes in the carrying amount of goodwill and intangible assets as at September 30, 2022, were:

	January 1, 2022	Acquired in business combinations	Additions	Disposals	Foreign currency translation	September 30, 2022
Cost:						
Goodwill	$ 373,602,562	20,122,342	-	-	(1,212,658)	392,512,246
Non-compete agreements	13,325,482	1,064,000	73,360	(503,000)	(40,713)	14,422,129
Brand	24,728,500	4,779,000	-	-	-	29,507,500
Computer software	2,006,281	-	532,513	-	-	2,538,794
Total	413,662,825	25,965,342	605,873	(503,000)	(1,253,371)	438,980,669
Accumulated amortization:						
Non-compete agreements	5,556,100	-	764,053	(503,000)	(18,162)	6,301,991
Computer software	-	-	100,182	-	-	100,182
Total	5,556,100	-	864,235	(503,000)	(18,162)	6,402,173
Net book value	$ 408,106,725					$ 432,578,496

The changes in the carrying amount of goodwill and intangible assets as at December 31, 2021, were:

	January 1, 2021	Acquired in business combinations	Additions	Disposals	Foreign currency translation	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Cost:						
Goodwill	$ 310,512,484	64,868,388	-	(1,848,344)	70,034	373,602,562
Non-compete agreements	9,989,074	3,334,818	-	-	1,590	13,325,482
Brand	16,161,000	8,567,500	-	-	-	24,728,500
Computer software	1,306,884	-	699,397	-	-	2,006,281
Total	337,969,442	76,770,706	699,397	(1,848,344)	71,624	413,662,825
Accumulated amortization:						
Non-compete agreements	4,156,991	-	1,399,161	-	(52)	5,556,100
Computer software	-	-	-	-	-	-
Total	4,156,991	-	1,399,161	-	(52)	5,556,100
Net book value	$ 333,812,451					$ 408,106,725

Amortization expense amounted to $864,235 and $1,102,227 for the nine month periods ended September 30, 2022, and 2021, respectively. Amortization expense amounted to $162,662 and $277,467 for the three month periods ended September 30, 2022, and 2021, respectively.

14. PREPAID EXPENSES AND OTHER ASSETS

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Total current prepaid expenses and other assets	$ 4,823,242	$ 4,455,008

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Secured convertible debt investment	$ 4,816,160	$ 4,890,361
Prepaid expenses and other assets	109,234	906,832
Total non-current prepaid expenses and other assets	$ 4,925,394	$ 5,797,193

i) Non-current prepaid expenses and other assets

Included in non-current prepaid expenses and other assets is a secured debt investment in Humphrey Funeral Home A. W. Miles – Newbigging Chapel Limited ("Humphrey") which is measured at fair value. The debenture bears interest at 5% and is convertible into equity of Humphrey on maturity, on November 9, 2023, at the option of the Company. The debenture is due on demand after a period of five years. The fair value of the secured debt investment approximates the book value.

The Company recognized an impairment on other assets of $153,972 and $245,088 for the nine month period ended September 30, 2022, and 2021, respectively, and $nil and $245,088 for the three month period ended September 30, 2022, and 2021, respectively. The impairment was included in other income (expenses).

15. LONG-TERM DEBT

	September 30, 2022	December 31, 2021 *(Restated - see Note 4)*
Revolving loan facility	$ 132,940,970	$ 86,019,782
Other debt	109,009	264,903
Deferred financing costs	(1,331,271)	(1,480,644)
Total	131,718,708	84,804,041
Current portion	53,267	168,148
Non-current portion	$ 131,665,441	$ 84,635,893

Revolving loan facility

On August 31, 2021, the Company entered into a third amended and restated credit agreement with a syndicate of lenders led by National Bank of Canada, to increase its overall borrowing capacity by C$50 million to C$300 million on a cost neutral basis with a maturity date of August 31, 2026 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Credit Facility**"). The Credit Facility bears variable interest at the banker's acceptance rate plus an applicable margin based on a leverage ratio calculation. As part of the amendment, the interest spread of the variable interest rate was reduced, the leverage ratio was increased to 3.75x for the 5 year term, and the Company has the ability, through a U.S. subsidiary, to borrow funds in USD.

As at September 30, 2022, there was $132,940,970 outstanding under the Credit Facility (as at December 31, 2021 - $86,019,782). Deferred financing costs have been capitalized and are being amortized over the term of the Credit Facility. For the nine month period ended September 30, 2022, and 2021, the amortization of deferred financing costs was $334,386 and $501,479, respectively, and for the three month period ended September 30, 2022, and 2021, the amortization of deferred financing costs was $118,266 and $193,627, respectively. As at September 30, 2022, standby letters of credit issued utilizing $552,465 of the credit line (as at December 31, 2021 - $602,637).

On July 12, 2022, the Company entered into an amendment to the Credit Facility, transitioning its borrowing capacity from C$300 million to US$240 million and extending the maturity date to August 31, 2027.

Other debt

Other debt relates to equipment and is secured by the vehicles. This debt has interest rates ranging from 3% to 9% and remaining terms of 1 to 5 years.

Debt covenants

The Company was in compliance with all its debt covenants pursuant to the Credit Facility and the Debentures.

16. NOTES PAYABLE

	September 30, 2022	December 31, 2021 (Restated - see Note 4)
Notes payable	$ 12,577,905	$ 12,902,127
Current portion	1,538,084	3,449,682
Non-current portion	$ 11,039,821	$ 9,452,445

Notes payable

i) The Company has an outstanding note payable of $1,071,075 (as at December 31, 2021 - $1,071,075) to the former owner of real estate acquired by a cemetery. The note calls for yearly payments of $50,000 at 0% interest until the note matures in 2113. Payments of principal are allowed to be deferred until the cemetery achieves positive cash flow. The note was discounted upon recognition to reflect an imputed interest rate of 5%. The note is nonrecourse and is subject to a development agreement that can be terminated by either party after May 9, 2023. The loan can be prepaid at any time without penalty.

ii) The Company has outstanding notes payable of $11,506,830 (as at December 31, 2021 - $11,831,052) to former owners of previously acquired businesses, primarily non-compete agreements, and notes related to the financing of the general business insurance policies. These notes payable have interest rates ranging from 2% to 6% and remaining terms of 1 to 10 years.

17. LEASE LIABILITIES

Lease liabilities relate to office space, machinery, and equipment.

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Future minimum lease payments		
Due in less than one year	$ 1,548,335	$ 1,213,029
Due between one and two years	1,236,415	979,673
Due between two and three years	813,023	763,574
Due between three and four years	897,537	745,556
Due between four and five years	487,625	717,317
Due thereafter	1,779,521	1,311,734
Total	6,762,456	5,730,883
Interest	(1,154,867)	(778,915)
Present value of minimum lease payments	5,607,589	4,951,968
Current portion	1,239,310	1,081,669
Non-current portion	$ 4,368,279	$ 3,870,299

Lease liabilities interest expense charged to operations amounted to $241,981 and $204,109 for the nine month period ended September 30, 2022, and 2021, respectively, and $78,894 and $73,722 for the three month period ended September 30, 2022, and 2021, respectively.

18. SENIOR UNSECURED DEBENTURES

On July 14, 2020, the Company completed a bought deal offering of Senior Unsecured Debentures (“Debentures”) due December 31, 2025. A total of C$75,000,000 aggregate principal amount of Debentures were issued at a price of C$1,000 per Debenture. PLC also granted the underwriters an option to purchase up to an additional C$11,250,000 aggregate principal amount of Debentures, on the same terms and conditions. This option was exercised in full following the closing of the offering for total gross proceeds of C$86,250,000. The issuance included transaction costs of C$4,615,199 inclusive of C$250,000 in management compensation. The net proceeds from the offering were used to pay down the Credit Facility to free up capacity to fund potential future acquisition opportunities and for general corporate purposes.

The Debentures bear interest at a rate of 5.75% per annum, payable semi-annually in arrears on September 30 and December 31 of each year commencing on December 31, 2020, and will mature on December 31, 2025.

The Debentures are measured at amortized cost using the effective interest method over the life of the Debenture.

18. SENIOR UNSECURED DEBENTURES – continued

The balance of the Debentures as at September 30, 2022, consists of the following:

		September 30, 2022
Balance at December 31, 2021 *(Restated - see Note 4)*	$	65,237,067
Accretion expense in 2022		459,926
Foreign currency translation		(5,464,458)
Balance at September 30, 2022	$	60,232,535

The Debentures may not be redeemed by the Company prior to December 31, 2023 (the "First Call Date"). On or after the First Call Date and prior to December 31, 2024, the Debentures may be redeemed by the Company, in whole or in part from time to time, on not more than 60 days and not less than 30 days prior notice at a redemption price equal to 102.875% of the principal amount of the Debentures redeemed plus accrued and unpaid interest, if any, up to but excluding the date set for redemption.

On or after December 31, 2024, and prior to December 31, 2025, the Debentures may be redeemed by the Company, in whole or in part from time to time, on not more than 60 days and not less than 30 days prior notice at a redemption price equal to the principal amount of the Debentures redeemed plus accrued and unpaid interest, if any, up to but excluding the date set for redemption.

Interest expense on the Debentures amounted to $2,891,060 and $2,988,785 for the nine month period ended September 30, 2022, and 2021, respectively, and $957,062 and $1,000,287 for the three month period ended September 30, 2022, and 2021, respectively. Accretion expense amounted to $459,926 and $440,261 for the nine month period ended September 30, 2022, and 2021, respectively, and $154,913 and $149,891 for the three month period ended September 30, 2022, and 2021, respectively.

The Company has the right, at its sole discretion, to redeem or repay outstanding principal amounts thereunder at redemption or maturity of the Debentures by issuing Common Shares rather than the payment of cash. The Common Shares will be valued at the 20-day volume weighted average price ("VWAP"), less a 5% discount. If such option is exercised by the Company, holders of Debentures will become holders of equity securities of PLC and will, consequently, be subject to the general risks and uncertainties affecting equity shareholders, including the ability to claim an entitlement only in its capacity as a shareholder.

19. DEFERRED REVENUE

Deferred revenue represents the amount of unperformed pre-arranged cemetery and funeral contracts. The components of deferred revenue consist of the following:

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Cemetery and funeral merchandise, lots, crypts, and niches	$ 97,302,777	$ 88,341,136
Cemetery and funeral services	68,454,533	68,903,008
Total	$ 165,757,310	$ 157,244,144

20. DIVIDENDS

The Company declared and paid cash dividends on a quarterly basis to shareholders. The total amount of dividends declared by the Company for the nine month period ended September 30, 2022, and 2021 were $9,068,724 or C$0.342 per share and $8,241,871 or C$0.342 per share, respectively. The total amount of dividends declared by the Company for the three month period ended September 30, 2022, and 2021 were $2,948,613 or C$0.114 per share and $2,816,791 or C$0.114 per share, respectively. On December 20, 2021, the Company announced that it moved from a monthly to a quarterly dividend payment schedule, with dividends to be declared on each of the Common Shares of the Company to shareholders of record on the last business day of each quarter, subject to approval of the Board of Directors. The dividend rate will remain the same at C$0.114 per Common Share per quarter.

21. SHARE CAPITAL

Authorized

Common shares

The Company is authorized to issue an unlimited number of Common Shares. All Common Shares issued are fully paid. The holders of Common Shares are entitled to share equally in dividends, returns of capital and to vote at shareholders' meetings.

21. SHARE CAPITAL - continued

Shares issued and outstanding

	Number of Common Shares	Amount
Balance January 1, 2021 *(Restated - see note 4)*	29,564,526	$ 388,447,668
Shares issued pursuant to:		
Dividend reinvestment plan (i)	91,600	2,442,205
Equity incentive plan (Note 23)	193,083	3,669,457
Prospectus financing, net of costs (ii)	4,081,000	114,452,233
Balance December 31, 2021 *(Restated - see Note 4)*	33,930,209	509,011,563
Shares issued pursuant to:		
Dividend reinvestment plan (i)	63,515	1,655,602
Equity incentive plan (Note 23)	81,847	1,644,856
Acquisition of non-controlling interest (iii)	-	(270,556)
Shares purchased under normal course issuer bid and held in trust for future settlement of share based incentive compensation	(200,985)	(3,018,098)
Balance September 30, 2022	33,874,586	$ 509,023,367

(i) Dividend reinvestment plan

On October 13, 2015, the Company announced the implementation of a dividend reinvestment plan ("DRIP"). The DRIP allows eligible shareholders of PLC to reinvest their cash dividends into additional Common Shares, which will be issued from treasury or purchased on the open market on the applicable dividend payment date. If Common Shares are issued from treasury, the price at which such Common Shares are issued will be the VWAP of the Common Shares over the five business days immediately preceding such dividend payment date less a discount, if any, of up to 5%, at the Company's election. The Company has determined to set the initial discount for purchases under the DRIP at 3%. The Company may, subject to the terms of the DRIP, alter or eliminate any discount at any time. For the nine month period ended September 30, 2022, 63,515 Common Shares were issued under the DRIP (for the year ended December 31, 2021 – 91,600).

(ii) Prospectus financings

On September 3, 2021, the Company completed a bought deal financing, issuing an aggregate of 4,081,000 Common Shares at a price of C$36.40 per Common Share for total of gross proceeds of C$148,548,400, including the exercise in full of the over-allotment option (the "2021 Financing"). The 2021 Financing included transaction costs of C$5,277,095 inclusive of C$367,500 in after tax management compensation. The Company recognized a deferred tax asset of C$1,902,626 from the transaction costs.

21. SHARE CAPITAL - continued

(iii) Acquisition of non-controlling interest

On January 25, 2022, the Company purchased an additional 20% of the issued and outstanding equity of one of its subsidiaries for a total consideration of $270,556. This transaction was accounted for as an equity transaction in accordance with IFRS 10 and attributed to the Company's equity holders.

Shares purchased under normal course issuer bid ("NCIB") and held in trust for future settlement of share-based incentive compensation

On August 11, 2022, the Company received approval from the TSX to implement an NCIB. Under the NCIB, the Company may, during the twelve-month period commencing August 17, 2022, and ending August 16, 2023, purchase up to a maximum of 3,385,439 Common Shares, representing 10% of its public float of issued and outstanding Common Shares as at August 8, 2022. All Common Shares purchased by the Company under the NCIB will be cancelled or transferred to and held by a trust established by PLC (the "**Trust**") for the settlement of awards issued under the EIP. Purchases made by the Company will be made on the open market through the facilities of the TSX and or alternative Canadian trading systems, in accordance with applicable TSX and other applicable trading system rules. The actual number of Common Shares purchased under the NCIB and the timing of any such purchases will be at PLC's discretion. Daily purchases will be limited to 17,507 Common Shares, other than block purchase exceptions.

Additionally, PLC entered into an automatic securities purchase plan ("ASPP") with its designated broker in connection with the NCIB to facilitate the purchase of Common Shares during times when PLC would ordinarily not be permitted to purchase Common Shares due to regulatory restrictions or self-imposed black-out periods. Before entering a black-out period, PLC may, but is not required to, instruct the broker to make purchases under the NCIB based on parameters set by PLC in accordance with the ASPP, TSX rules and applicable securities laws. Since its inception, PLC has not directed its broker to make any automatic purchases of Common Shares under the ASPP.

PLC established the Trust to hold Common Shares purchased under the NCIB for the purpose of settling awards (other than Options granted to Canadian Taxpayers) under the EIP. In conjunction with the EIP, the Company may make contributions to the Trust, which contributions will be used by the Trust to acquire Common Shares for the benefit of the participants under EIP.

21. SHARE CAPITAL - continued

Shares purchased under normal course issuer bid ("NCIB") and held in trust for future settlement of share-based incentive compensation – continued

The Company established the Trust to facilitate the purchase of Common Shares for future settlement of RSUs and PSUs upon vesting. The Trust is considered a structured entity and is consolidated in the Company's financial statements with the cost of the acquired shares recorded at book value as a reduction to share capital. Any premium on the acquisition of the Common Shares above book value is applied to retained earnings until the Common Shares are issued to settle RSU and PSU awards.

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Common shares repurchased under the NCIB and held in trust (number of shares)	200,985	200,985
Cash consideration paid	$3,705,596	$3,705,596

During the nine months ended September 30, 2022, the Company purchased 200,985 Common Shares for a consideration of $3,705,596 (C$4,996,964).

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Common shares repurchased under the NCIB and held in trust (number of shares)	200,985	200,985
Cash consideration paid	$ 3,705,596	$ 3,705,596
Premium charged to retained earnings	687,498	687,498
Reduction in common share capital	3,018,098	3,018,098

22. FINANCE COSTS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Finance costs:				
Interest on revolving loan facility (Note 15)	$ 717,936	$ 416,616	$ 1,448,143	$ 1,759,435
Interest on Senior Unsecured Debentures (Note 18)	957,062	1,000,287	2,891,060	2,988,785
Interest on mortgages, other debt and notes payable (Note 15 and 16)	198,966	112,303	462,947	340,924
Interest on lease liabilities (Note 17)	78,894	73,722	241,981	204,109
Amortization of deferred financing costs (Note 15)	118,266	193,627	334,386	501,479
Accretion expense on senior unsecured debentures (Note 18)	154,913	149,891	459,926	440,261
Interest capitalized to construction	2,958	(86,589)	(329,388)	(163,437)
Unrealized foreign exchange on finance costs	(19,694)	(14,847)	(18,374)	(101,268)
Total	$ 2,209,301	$ 1,845,010	$ 5,490,681	$ 5,970,288

Interest capitalized to construction relates to long-term inventory and property, plant and equipment construction projects.

23. EQUITY INCENTIVE PLAN

At the annual and special meeting of shareholders held on May 31, 2016, the shareholders of the Company approved the EIP, as was subsequently amended and restated in May 2019. The EIP provides for the grant of deferred share units ("DSUs"), restricted share units ("RSUs"), performance share units ("PSUs"), and options to acquire Common Shares (“Options”).

The purpose of the EIP is to, among other things: (i) provide the Company with a mechanism to attract, retain and motivate qualified directors, officers and employees of the Company, including its subsidiaries, (ii) reward directors, officers and employees that have been granted awards under the EIP for their contributions toward the long-term goals and success of the Company, and (iii) enable and encourage such directors, officers and employees to acquire Common Shares as long-term investments and proprietary interests in the Company.

On June 22, 2020, the shareholders of the Company approved a second amended and restated omnibus EIP. The amended EIP provides flexibility to the Company to grant equity-based incentive awards in the form of DSUs, RSUs, PSUs and Options. On June 1, 2022, the shareholders of the Company approved an increase to the aggregate maximum number of Common Shares that may be issued upon settlement of awards granted under the EIP by 700,000. The maximum number of Common Shares that may be issued upon the settlement of awards granted under the EIP may not exceed 3,100,000 Common Shares of the Company.

Unless otherwise set forth in the particular award agreement, awards of all DSUs, RSUs and PSUs include a right for such awards to be credited with dividend equivalents in the form of additional DSUs, RSUs and PSUs, as applicable. Dividend equivalents vest in proportion to and settle in the same manner as, the awards to which they relate.

23. EQUITY INCENTIVE PLAN - continued

Deferred share units

With the exception of the Chair of the Board, all non-executive directors of the Company are required to receive at least 50% of their annual Board retainers in equity, although they may elect to receive a greater percentage pursuant to the terms of the EIP. Non-executive directors will receive such equity in the form of DSUs. Provided, however, in lieu of DSUs, a non-executive director may elect to receive the equity portion of their retainer in cash which then must be used to purchase an equivalent amount of equity on the open market. As it pertains to the Chair of the Board, the Chair is required to receive at least 35% of the Chair's annual board retainer in the form of equity, although the Chair may elect to receive a greater percentage pursuant to the terms of the EIP. The Chair will receive such equity in the form of DSUs. Provided, however, in lieu of DSUs, the Chair may elect to receive the equity portion of his retainer in cash which then must be used to purchase an equivalent amount of equity on the open market.

A DSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company. The number of DSUs granted is determined by the five-day VWAP (the "Market Price"), but their value is tied to the then trading price of PLC's Common Shares. Upon settlement (typically on termination of service), holders will receive, in respect of each vested DSU, one fully paid and non-assessable Common Share or cash. Currently, the Board settles DSUs with the issuance of Common Shares. Subject to the terms of an award agreement, DSUs will vest immediately at the date of grant. DSUs will be granted to non-executive directors of the Company every three months for services rendered. The DSU costs are expensed to share based incentive compensation as granted. The fair value of the DSU is determined based on the fair value of the Common Shares on the date of issuance.

Pursuant to the EIP, the following DSUs were granted by the Company and are outstanding. Each dividend equivalent represents one Common Share.

	September 30, 2022	December 31, 2021
Outstanding, beginning of the period	47,748	38,068
Awarded	10,658	14,095
Redemptions	-	(5,014)
Dividend equivalents	393	599
Outstanding, end of the period	58,799	47,748

Restricted share units

An RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share for each RSU after a specified vesting period determined by the Plan Administrator (as defined in the EIP), in its sole discretion.

RSUs vest according to the terms of the applicable award agreement. All RSUs awarded to date vest within three years of their grant date.

23. EQUITY INCENTIVE PLAN – continued

Restricted share units - continued

Upon settlement, holders will receive, in respect of each vested RSU, either: (i) one fully paid and non-assessable Common Share, or (ii) subject to the approval of the Plan Administrator, a cash payment determined with reference to the Market Price in the same manner as with DSUs. Currently, the Board settles RSUs with the issuance of Common Shares.

Pursuant to the EIP, the following RSUs were granted by the Company and are outstanding. Each dividend equivalent represents one Common Share. As at September 30, 2022, 159,922 of the awarded and outstanding RSUs have vested.

The RSU costs are expensed to share based incentive compensation when the RSUs vest. The fair value of the RSU is determined based on the fair value of the Common Shares on the date of issuance. The weighted average issuance price for the period ended September 30, 2022, was $34.06 (for the year ended December 31, 2021 - $27.84).

	September 30, 2022	December 31, 2021
Outstanding, beginning of the period	250,738	260,840
Awarded	69,527	171,933
Forfeited	-	(6,389)
Redemptions	(44,918)	(178,371)
Dividend equivalents	1,975	2,725
Outstanding, end of the period	277,322	250,738

23. EQUITY INCENTIVE PLAN – continued

Performance Share Units

A PSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company. PSUs vest according to the terms of the applicable award agreement. The actual number of share units earned with respect to the three-year performance period is subject to a multiplier (of between 0 and 1.5 times) and based on the average "bonus score" (which itself is determined with reference to the Board-approved annual bonus score card) obtained over a three-year performance period. The PSU costs are expensed to share based incentive compensation when the PSUs vest. The fair value of the PSU is determined based on the fair value of the Common Shares on the date of issuance multiplied by the bonus score.

Pursuant to the EIP, the following PSUs were granted by the Company and are outstanding. Each dividend equivalent represents one Common Share. As at September 30, 2022, 43,928 of the awarded and outstanding PSUs have vested.

	September 30, 2022	December 31, 2021
Outstanding, beginning of the period	112,226	24,537
Awarded	12,036	86,632
Forfeited	-	-
Redemptions	(36,929)	-
Dividend equivalents	684	1,057
Outstanding, end of the period	88,017	112,226

23. EQUITY INCENTIVE PLAN – continued

Options and Performance Options

Grant Date	Expiry Date	Exercise Price	01-Jan-20	Granted	Exercised	Expired	Forfeited	31-Mar-22	Vested	Unvested
May 30, 2019	June 30, 2023	$ 18.84	1,058,000	-	-	-	(378,000)	680,000	680,000	-
July 15, 2019	June 30, 2023	$ 21.76	320,000	-	-	-	-	320,000	320,000	-
May 21, 2020	May 21, 2025	$ 15.06	-	390,000	(8,333)	-	-	381,667	-	381,667
October 5, 2020	October 30, 2024	$ 20.88	-	80,000	-	-	-	80,000	-	80,000
			1,378,000	470,000	(8,333)	-	(378,000)	1,461,667	1,000,000	461,667
Weighted Average Exercise Price			$ 19.51	$ 16.05	$ 15.06	$ -	$ 18.84	$ 18.60	$ 19.77	$ 18.60

The compensation expenses in respect of EIP awards amounted to $3,839,149 and $2,743,110 for the nine month period ended September 30, 2022, and 2021, respectively, and $1,153,906 and $907,261 for the three month period ended September 30, 2022, and 2021, respectively. Included in the compensation expenses are $60,642 and $94,525 for the nine month period ended September 30, 2022, and 2021, respectively, of legal and administrative fees related to the issuance of EIP awards and $19,697 and $70,383 for the three month period ended September 30, 2022, and 2021. The counterpart has been reflected in contributed surplus. Management plans to settle all DSUs, RSUs, PSUs and Options by issuing Common Shares. When the DSUs, RSUs, PSUs and Options are settled for Common Shares, the amounts previously credited to contributed surplus are transferred to share capital.

24. OTHER INCOME (EXPENSES)

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 *(Restated - see Note 4)*	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 *(Restated - see Note 4)*
Legal and other costs (i)	$ (103,219)	$ (56,383)	$ (259,763)	$ (100,666)
Loss on sale of non-strategic business (ii)	-	-	-	(679,601)
Impairment on other assets (Note 14)	-	(245,088)	(153,972)	(245,088)
Gain (Loss) on disposal of property and equipment (Note 9)	14,139	(10,295)	1,852,156	3,983
	$ (89,080)	$ (311,766)	$ 1,438,421	$ (1,021,372)

(i) Legal and other costs were $103,219 and $56,383 for the three month period ended September 30, 2022, and 2021, respectively, and $259,763 and $100,666 for the nine month period ended September 30, 2022, and 2021, respectively. Legal and other costs relate to the preservation of certain historical investments and obligations associated with those investments, as well as costs for the defense of intellectual property created by the Company.

(ii) On June 18, 2021, the Company completed the sale of all its outstanding shares of Parkland which represented a 50% ownership of Parkland. On closing, the Company received C$3,714,853 and a promissory note receivable of C$1,785,147. The note bears interest at a rate of 5% per annum and matures on December 18, 2021. The transaction resulted in a net loss of $679,601. The sale of Parkland did not represent a strategic shift in the Company's business and did not have a major effect on its operation and financial results.

25. RELATED PARTY TRANSACTIONS AND BALANCES

Key management compensation

Key management includes the members of the Board, the Chief Executive Officer, the Chief Financial Officer and the President and Chief Operating Officer. The compensation paid or payable to key management is shown below:

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 *(Restated - see Note 4)*	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 *(Restated - see Note 4)*
Directors' fees and management compensation	$ 1,310,187	$ 1,045,497	$ 4,631,269	$ 3,919,413

Directors' fees and management compensation included in share-based incentive were $2,240,066 and $1,323,114 for the nine month period ended September 30, 2022, and 2021, respectively, and $663,263 and $331,766 for the three month period ended September 30, 2022, and 2021, respectively. As at September 30, 2022, included in accounts payable and accrued liabilities are directors' fees and management compensation of $843,077 (as at December 31, 2021 - $1,203,384).

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value of financial instruments

Cash, accounts receivable, current portion of pre-need receivables, accounts payable and accrued liabilities, dividends payable, long-term debt and notes payable are financial instruments whose fair values approximate their carrying values due to their short-term maturity, variable interest rates or current market rates for instruments with fixed rates.

The fair value hierarchy under which the Company's financial instruments are valued is as follows:

- Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly or indirectly;
- Level 3 includes inputs for the assets or liability that are not based on observable market data.

As at September 30, 2022, the fair value of the secured debt investment in Humphrey's (see Note 14) is valued under Level 3.

As at September 30, 2022, the care and maintenance and pre-need merchandise and service trust funds and related liabilities are carried at fair value under Level 1, Level 2, Level 3, and amortized cost.

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Fair value of financial instruments - continued

The trust assets are valued as follows:

Care and maintenance trust fund investments at September 30, 2022

	Cost	Level 1 Quoted market price	Level 2 Valuation technique - observable market inputs	Level 3 Valuation technique - non-observable market inputs	Amortized cost	Total fair value
Cash and cash equivalents	$ 5,315,445	$ 5,315,445	$ -	$ -	$ -	$ 5,315,445
Fixed Income						
Canadian						
Corporate	4,760,973	537,926	-	-	3,670,328	4,208,254
Government	126,300	140,693	-	-	-	140,693
US						
Corporate	1,110,729	971,973	-	-	-	971,973
Government	521,735	446,699	-	-	-	446,699
Equities						
Canadian	41,579,321	47,802,124	-	-	-	47,802,124
US	4,578,074	3,460,647	-	-	-	3,460,647
Canadian Preferred	2,500,611	2,641,072	-	-	-	2,641,072
US Preferred	1,204,735	904,809	-	-	-	904,809
Mutual Funds/ETFs						
Equity	59,584,773	31,736,526	-	-	-	31,736,526
Fixed Income	38,146,895	51,030,395	-	-	-	51,030,395
Preferred	30,478,066	24,845,718	-	-	-	24,845,718
Alternative	24,381,591	-	-	26,856,414	-	26,856,414
	$ 214,289,248	$ 169,834,027	$ -	$ 26,856,414	$ 3,670,328	$ 200,360,769

Care and maintenance trust fund investments at December 31, 2021
(Restated - see Note 4)

	Cost	Level 1 Quoted market price	Level 2 Valuation technique - observable market inputs	Level 3 Valuation technique - non-observable market inputs	Amortized cost	Total fair value
Cash and cash equivalents	$ 9,918,598	$ 9,920,442	$ -	$ -	$ -	$ 9,920,442
Fixed Income						
Canadian						
Corporate	5,195,813	707,262	-	-	4,006,122	4,713,384
Government	137,770	175,269	-	-	-	175,269
US						
Corporate	3,871,770	3,846,246	-	-	-	3,846,246
Government	-	-	-	-	-	-
Equities						
Canadian	40,131,615	51,670,656	-	-	-	51,670,656
US	13,562,700	16,689,645	-	-	-	16,689,645
Canadian Preferred	2,727,703	3,373,146	-	-	-	3,373,146
US Preferred	3,298,455	3,261,831	-	-	-	3,261,831
Mutual Funds/ETFs						
Equity	32,808,342	34,589,287	-	-	-	34,589,287
Fixed Income	51,676,565	51,323,317	-	-	-	51,323,317
Preferred	26,761,025	26,376,716	-	-	-	26,376,716
Alternative	20,982,067	-	-	24,023,844	-	24,023,844
	$ 211,072,423	$ 201,933,817	$ -	$ 24,023,844	$ 4,006,122	$ 229,963,783

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Fair value of financial instruments – continued

Pre-need merchandise and service trust fund investments at September 30, 2022

	Cost	Level 1 Quoted market price	Level 2 Valuation technique - observable market inputs	Level 3 Valuation technique - non-observable market inputs	Amortized cost	Total fair value
Cash and cash equivalents	$ 15,379,398	$ 15,379,398	$ -	$ -	$ -	$ 15,379,398
GIC's	23,874,914	23,874,914	-	-	-	23,874,914
Fixed Income						
Canadian						
Corporate	-	-	-	-	-	-
Government	-	-	-	-	-	-
US						
Corporate	5,689,074	5,664,776	-	-	-	5,664,776
Government	813,553	697,419	-	-	-	697,419
Equities						
Canadian	139,578	186,510	-	-	-	186,510
US	1,233,642	1,228,448	-	-	-	1,228,448
Canadian Preferred	6,166	5,081	-	-	-	5,081
US Preferred	264,165	208,433	-	-	-	208,433
Mutual Funds/ETFs						
Equity	101,779,918	73,994,302	-	-	-	73,994,302
Fixed Income	56,795,881	48,604,842	-	-	-	48,604,842
Preferred	-	-	-	-	-	-
Alternative	47,789,603	-	-	48,889,975	-	48,889,975
	$ 253,765,892	$ 169,844,123	$ -	$ 48,889,975	$ -	$ 218,734,098

Pre-need merchandise and service trust fund investments at December 31, 2021
(Restated - see Note 4)

	Cost	Level 1 Quoted market price	Level 2 Valuation technique - observable market inputs	Level 3 Valuation technique - non-observable market inputs	Amortized cost	Total fair value
Cash and cash equivalents	$ 18,582,822	$ 18,583,470	$ -	$ -	$ -	$ 18,583,470
GIC's	26,174,084	26,174,084	-	-	-	26,174,084
Fixed Income						
Canadian						
Corporate	19,624	20,276	-	-	-	20,276
Government	18,419	18,254	-	-	-	18,254
US						
Corporate	8,826,965	8,889,255	-	-	-	8,889,255
Government	-	-	-	-	-	-
Equities						
Canadian	131,556	186,014	-	-	-	186,014
US	9,988,206	12,680,100	-	-	-	12,680,100
Canadian Preferred	-	-	-	-	-	-
US Preferred	2,274,136	2,310,949	-	-	-	2,310,949
Mutual Funds/ETFs						
Equity	104,864,670	102,369,828	-	-	-	102,369,828
Fixed Income	56,777,442	57,574,543	-	-	-	57,574,543
Preferred	-	-	-	-	-	-
Alternative	27,851,904	-	-	30,921,261	-	30,921,261
	$ 255,509,828	$ 228,806,773	$ -	$ 30,921,261	$ -	$ 259,728,034

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued

Fair value of financial instruments – continued

(i) Market Risk

Pre-need merchandise and service trust fund investments

The principal objective of the pre-need cemetery and funeral trusts are to preserve the original principal balance invested in the trust and to achieve growth in the principal over time to preserve and increase the purchasing power of the assets. Since pre-need contracts generally take several years to turn at-need, the funds deposited into the pre-need trusts are invested through several investment cycles. The risk profiles of the investments are adjusted to achieve the desired goal and are weighted toward fixed income and equities with both a capital growth and income component. The portfolio is diversified and managed by professional fund managers specialized in this asset class with a long-term view on acceptable risk tolerance.

Care and maintenance trust fund investments

The cemetery perpetual care and maintenance trust funds, in accordance with provincial and state regulations, emphasize yield orientated investments that prioritize current investment income with some capital appreciation over time in order to provide for the care and maintenance of the cemetery properties. In most jurisdictions, only investment income received, and not capital gains, may be applied to pay the cost of eligible care and maintenance expenses. If income from this trust should exceed eligible care and maintenance expenses, the excess must be added to the capital of the trust and would not be eligible for pay out to the Company in the future.

In order to achieve current investment income and some longer-term capital growth, the cemetery perpetual care fund portfolio is weighted more heavily to fixed income and yield oriented equity investments. The portfolio is diversified and managed by professional fund managers specialized in this asset class with a long-term view on acceptable risk tolerance.

(ii) Other Price Risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

Unexpected volatility or illiquidity could occur due to legal, political, regulatory, economic or other developments, such as public health emergencies, including an epidemic or pandemic, natural disasters, war and related geopolitical risks, and may impair the portfolio manager’s ability to carry out the objectives of the trust funds or cause the trust funds to incur losses. Neither the duration nor ultimate effect of any such market conditions, nor the degree to which such conditions may worsen can be predicted.

The portfolio manager adheres to specified investment constraints in relation to asset class and diversification, thus minimizing exposure to other price risk.

Other assets and liabilities are monetary items that are short-term in nature and not subject to other price risk.

27. COMMITMENTS AND CONTINGENCIES

Litigation

From time to time the Company is subject to legal proceedings and claims arising in the ordinary course of business. Some of the more frequent ordinary routine litigations incidental to our business are based on burial practices claims and employment related matters. Management is of the opinion based upon information presently available, that it is unlikely that any such liability, to the extent not provided for by insurance or otherwise, would have a material adverse effect in relation to the Company's consolidated financial position, liquidity, or results of operations.

Commitments

The Company has 13 ongoing commitments with the remaining balance of $8,838,480 for the construction of funeral homes and mausoleums, and cemetery development in the United States. To date, the Company has spent $6,045,800 on these commitments.

Included in the commitments is an agreement for the purchase of four industrial units of property in Mississauga, Ontario, Canada (the "Haines Properties"). A purchase and sale agreement for the Haines Properties was entered into by a limited partnership formed by a subsidiary of the Company as general partner, and a trustee on behalf of certain Care and Maintenance Trust Funds, as limited partners (the "Haines LP") for an aggregate purchase price of C$3,331,885. The Haines Properties are currently leased by one of the Company's funeral homes from an arm's length third party. On closing of the transaction, which is expected to occur during the first quarter of 2023, the Haines Properties will be leased by the Haines LP to the funeral home on substantially the same terms as the existing lease, with necessary increases to rent to align with market terms.

28. SEGMENTED INFORMATION

IFRS 8 - "Operating Segments" defines an operating segment as a component of an entity that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance; and for which discrete financial information is available.

The Company has two operating segments, one which provides goods and services associated with the disposition and memorialization of remains in Canada and the other which provides the same goods and services in the United States. The Company's operating segments are consistent with its geographic segments, and therefore the required disclosures are made below.

28. SEGMENTED INFORMATION - continued

Geographic information

For the Company's geographically segmented total assets the Company has allocated based on the location of assets, as follows:

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Canada	$ 172,849,469	$ 186,641,477
United States	1,228,806,206	1,219,419,218
Total	$ 1,401,655,675	$ 1,406,060,695

For the Company's geographically segmented total liabilities the Company has allocated based on the location of liabilities, as follows:

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Canada	$ 170,934,090	$ 182,810,793
United States	678,664,733	683,216,452
Total	$ 849,598,823	$ 866,027,245

28. SEGMENTED INFORMATION – continued

Geographic information – continued

For the Company's geographically segmented net revenue and net earnings, the Company has allocated net revenue and net earnings based on the location of the customer, as follows:

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 (Restated - see Note 4)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 (Restated - see Note 4)
Net revenue:				
Net sales:				
Canada	$ 7,348,329	$ 6,539,433	$ 21,496,978	$ 21,712,950
United States	69,060,534	63,368,255	207,496,896	183,327,033
Total net sales	76,408,863	69,907,688	228,993,874	205,039,983
Income from care and maintenance funds:				
Canada	924,374	976,330	2,816,885	3,085,378
United States	1,475,173	1,093,003	4,173,569	3,551,719
Total income from care and maintenance funds	2,399,547	2,069,333	6,990,454	6,637,097
Interest and other income:				
Canada	95,142	133,969	266,483	639,360
United States	1,968,053	927,025	3,715,616	3,505,938
Total interest and other income	2,063,195	1,060,994	3,982,099	4,145,298
Total net revenue:				
Canada	8,367,845	7,649,732	24,580,346	25,437,688
United States	72,503,760	65,388,283	215,386,081	190,384,690
Total net revenue	$ 80,871,605	$ 73,038,015	$ 239,966,427	$ 215,822,378
Total net earnings/loss:				
Canada[(1)]	(1,189,696)	(1,726,844)	(3,781,995)	(5,476,171)
United States	6,513,604	8,913,362	23,615,807	26,263,376
Total net earnings/loss	$ 5,323,908	$ 7,186,518	$ 19,833,812	$ 20,787,205

[(1)] Canada's net loss includes shared based incentive compensation and public company costs.

29. SUBSEQUENT EVENTS

On October 5, 2022, PLC acquired substantially all of the assets of Ertel Funeral Home & Crematory, a stand-alone funeral home located in Cortez, Colorado serving the families of Dolores and Montezuma Counties and the Ute Mountain and Navajo tribes.

On October 12, 2022, PLC entered into a definitive agreement to acquire substantially all of the assets of Muehlebach Funeral Care in Kansas City, Missouri, Skradski-Pierce Funeral Home in Kansas City, Kansas and Assurance Cremation Society in Kansas City, Missouri.

On November 2, 2022, PLC acquired substantially all of the assets of Brown's Cremation & Funeral Service, a stand-alone funeral home located in Grand Junction, Colorado.

On November 7, 2022, PLC acquired substantially all of the assets of Taylor Funeral Home, consisting of three stand-alone funeral homes and one on-site funeral home and cemetery combination located in Delta, Cedaredge, Hotchkiss and Paonia, Colorado.

30. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the September 30, 2022, unaudited condensed interim consolidated financial statements with no effect on our previously reported results of operations, consolidated financial position, or consolidated cash flows.

PARK LAWN CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Quarter Ending September 30, 2022

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The following Management's Discussion and Analysis (this "**MD&A**") provides a review of corporate and market developments, results of operations and the financial position of Park Lawn Corporation ("**PLC**" or the "**Company**") for the three and nine month periods ended September 30, 2022. This discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and accompanying notes for the three and nine month period ended September 30, 2022, together with the Company's audited consolidated financial statements and MD&A for the year ended December 31, 2021, and the accompanying notes contained therein. Information contained in this MD&A is based on information available to management as of November 9, 2022. Unless otherwise stated, all amounts discussed herein are denominated in U.S. dollars.

Forward-Looking Information

All information other than statements of current and historical fact contained in this MD&A is forward-looking information. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "aspirational", "targets", "goals", "objectives", "aims" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will", "occur" or "be achieved", and similar words or the negative thereof. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement.

Forward-looking information in this MD&A includes, but is not limited to, the Company's expectation that it will meet its existing growth targets by the end of 2022, the Company's aspirational growth targets for the end of 2026, statements regarding the impact of COVID-19 on the Company's business, the EBITDA (as defined below) multiples that the Company generally expects to pay for acquisitions, future earnings generated by recent acquisitions completed by the Company, expected synergies of acquisitions completed by the Company, the Company's business generally, future development and construction, future financial position and business strategy, the deathcare industry, potential acquisitions, potential business partnering, litigation, the ability of the Company to procure additional sales from new and existing customers, and the Company's plans and objectives. By its nature, forward-looking information is inherently uncertain, is subject to risk and is based on numerous assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from the Company's expectations expressed in, or implied by, such forward-looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved. These statements are not guarantees of future performance or events, and readers are cautioned against relying on any of these forward-looking statements. Forward-looking statements are presented in this MD&A for the purpose of assisting investors and others in understanding PLC's objectives, strategic priorities and business outlook as well as its anticipated operating environment. Readers are cautioned, however, that such information may not be appropriate for other purposes. The Company has made certain economic, market and operational assumptions in preparing the forward-looking statements in this MD&A, including those set out under the heading "Outlook" in PLC's management's discussion and analysis for the third quarter of 2018 (filed on SEDAR on August 14, 2018), and that recent acquisitions will perform as expected, PLC will be able to implement business improvements and achieve cost savings, PLC will be able to retain key personnel, there will be no unexpected expenses occurring as a result of the pending or completed acquisitions, multiples will remain at or below levels paid by PLC for previously announced acquisitions, the Canadian dollar to United States dollar exchange rate will remain consistent, the acquisition and financing markets will remain accessible, capital can be obtained at reasonable costs and PLC's current business lines will operate and obtain synergies as expected, as well as risks and assumptions regarding present and future business strategies, the environment in which the Company will operate in the future, expected revenues, expansion plans and the Company's ability to achieve its goals. Although management of the Company believes that the expectations represented in such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. If PLC's assumptions turn out to be inaccurate, its actual results could be materially different from what it expects.

The future outcomes that relate to forward-looking information may be influenced by many factors that could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking information, including, but not limited to, risks associated with: the future impacts of the COVID-19 pandemic, as well as other pandemic, epidemic and health risks, and the adverse effects from the measures implemented or to be implemented as a result thereof; the conflict between Russia and Ukraine, including from the economic sanctions imposed or to be imposed as a result thereof, and supply chain disruptions resulting therefrom; adverse economic and financial market conditions; a declining level of commercial activity, and the resulting negative impact on the demand for, and prices of, PLC's products and services; the impact of inflation on the Company's business; supply chain disruptions and product delivery delays; the failure to attract, develop and retain a diverse and talented team capable of furthering PLC's business strategies; the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market; risks associated with the Company's growth strategy; the geographic concentration of the Company's operations; the Company's reliance on key personnel; the ability to maintain effective internal controls over financial reporting; tax related risks; the Company's non-controlled interests; relations with the Company's unionized and non-unionized employees; self-insurance and insurance coverage and limits; the Company's fixed operating costs; changing consumer preferences; the increasing number of cremations; litigation and professional liability practice claims; competition in the industry and markets in which the Company operates; the capital expenditure requirements of the Company's business; regulatory risks; environmental and health and safety risks; cybersecurity risks and the other risk factors described under the heading "Risk Factors" in the Company's most recent Annual Information Form. The Company cautions that such a list of factors is not exhaustive, and other factors could also materially adversely affect its performance. When relying on forward-looking information to make decisions with respect to the Company, readers should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking information.

Forward-looking statements, including those set out under the heading "Update on PLC's Aspirational Targets", in PLC's Management's Discussion and Analysis for the year ending December 31, 2021 (filed on SEDAR on March 3, 2022) and contained in this MD&A for periods beyond 2022 involve longer-term assumptions and estimates than forward-looking statements for 2022 and are consequently subject to greater uncertainty. In particular, in addition to the assumptions set forth above, the Company's long-term aspirational growth targets of achieving: (a) a total of $150 million of pro forma Adjusted EBITDA (as defined below), and (b) achieving Adjusted Net Earnings per share exceeding $2.00 by the end of 2026 assumes: the achievement of approximately 70% of growth through acquisitions, and approximately 30% of growth through organic means; the ability to continue to acquire premier independent businesses in both new and existing markets, and to obtain the financing required to complete such acquisitions; the completion of acquisition opportunities in high-growth markets at a rate of $75-$125 million per year; the continued successful investments in individual businesses to achieve organic growth and in projects and initiatives which yield improved asset productivity, including mausoleum developments, the development of existing and new cemetery properties, and development of on-site funeral homes; recent and future acquisitions will perform as expected; multiples remaining at or below levels paid by PLC for previously announced acquisitions; acquisition and financing markets will remain accessible; that PLC will continue to effectively integrate the strategic partners and acquired businesses into the Company's existing operations; continued high performance of the Company's existing business operations; that PLC will continue to capitalize on ongoing operational improvements to both existing and acquired businesses through the full implementation, deployment and integration of PLC's proprietary industry software; the achievement of further market share penetration in the markets the Company currently operates in through further community involvement, exceptional customer service and target marketing; no material changes to the Company's earnings prospects; no material adverse impacts to the Company's long-term investments and credit markets; no significant changes to the industry landscape or regulatory environment; continued availability of skilled talent and source materials to execute on the Company's organic growth plans; favorable market conditions for share issuance to support growth financing; interest rates return to historical ten year averages, average supplier prices consistent with external price curves and internal forecasts; no severe and prolonged economic downturn in the markets in which the Company operates; the continued maintenance of the Company's information technology infrastructure and no material breach of cybersecurity; no significant event occurring outside the ordinary course of business such as a natural disaster, pandemic or other calamity; no material changes in the Canadian dollar to U.S. dollar exchange rate; return of inflation to normal trends and average inflation rate based on historical trends; an increase in salaries based on market average assumptions; and a reduction in corporate costs as a percentage of revenue due to economies of scale. However, there can be no assurance that the Company will be able to identify suitable strategic partners or acquisition targets, to negotiate acceptable terms for such transactions, to obtain the financing required, to effectively implement any strategic partners or acquired businesses into the Company's existing operations, or to capitalize on ongoing operational improvements, with the result that the actual nature and value of the aspirational growth targets, as well as the timing thereof, could materially differ from current expectations. Forward-looking statements for periods beyond 2022 further assume, unless otherwise indicated, that the competitive, regulatory, operational, financial and other risks described above and under the heading "Risk Factors" in the Company's most recent Annual Information Form will remain substantially unchanged during such periods, except for an assumed improvement in the risks related to the COVID-19 pandemic and general economic conditions in future years.

There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is provided as of the date of this MD&A or such other date specified herein, and the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances, except as required under applicable securities laws.

Additional risks and uncertainties not currently known to the Company or that it currently deems to be immaterial may also have a material adverse effect on its business, financial condition, liquidity, financial results or reputation. From time to time, it considers potential acquisitions, dispositions, mergers, business combinations, investments, monetizations, joint ventures and other transactions, some of which may be significant. Except as otherwise indicated by PLC, forward-looking statements do not reflect the potential impact of any such transactions or of special items that may be announced or that may occur after the date hereof. The financial impact of these transactions and special items can be complex and depend on facts particular to each of them. PLC therefore cannot describe the expected impact in a meaningful way, or in the same way it presents known risks affecting its business.

Financial Statements, Accounting Policies and Critical Estimates

The Company's unaudited condensed interim consolidated financial statements for the period ended September 30, 2022, and accompanying notes (the "**Notes**") have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board, and are presented in U.S. dollars, except where otherwise indicated. The Company's significant accounting policies and critical accounting estimates are summarized in Note 2 and Note 3, respectively, to its audited annual consolidated financial statements for the year ended December 31, 2021. Other than as disclosed in Note 4 of the September 30, 2022, unaudited condensed interim consolidated financial statements, there have been no material changes in the Company's significant accounting policies or critical accounting estimates during the period ended September 30, 2022.

Consolidation

The Company's unaudited condensed interim consolidated financial statements for the period ended September 30, 2022, include the accounts of the Company and its subsidiaries. All significant accounts and transactions between consolidated entities are eliminated. A minority interest held by any party in a business that the Company controls is reflected as "non-controlling interest" in the unaudited condensed interim consolidated financial statements.

Currency

The unaudited condensed interim consolidated financial statements are presented in U.S. dollars ("USD" or "US$") unless otherwise indicated.

Effective January 1, 2022, the Company changed its presentation currency from the Canadian dollar ("CAD" or "C$") to USD to better reflect the Company's business activities and provide more relevant reporting of the Company's financial position, given the significant portion of the Company's revenues, expenses, cash flows and assets that are USD denominated. The financial statements of entities with a functional currency that is not USD have been translated into USD in accordance with IAS 21 - *The Effects of Changes in Foreign Exchange Rates*. All comparative period amounts included in this MD&A have been restated to reflect the change in presentation currency. Further details are provided in Note 4 of the financial statements - Changes in Accounting Policies.

The following table provides the CAD:USD average exchange rates for the three and nine months ended September 30, 2022, and 2021, as well as period end exchange rates for each of the aforementioned periods, which were used to restate comparative figures.

CAD/USD Exchange Rate	**Three month period ended,**		**Nine month period ended,**		**Year ended**
	September 30, 2022	**September 30, 2021**	**September 30, 2022**	**September 30, 2021**	**December 31, 2021**
Closing rate at the reporting date	0.7231	0.7849	0.7231	0.7849	0.7888
Average rate for the period	0.7659	0.7937	0.7794	0.7992	0.7978

The average exchange rates in the table above apply to entities that are owned for the entire period or year end. For entities acquired during the year, the average exchange rate is calculated from their acquisition date to the period end date. The period end exchange rate is the same for all entities owned at the period or year end.

Description of non-IFRS measures

Management uses both IFRS and non-IFRS measures to monitor and assess the Company's operating performance. Non-IFRS measures adjust for the impact of certain expenses and income that have been recognized under IFRS when analyzing operating performance. Management believes that the excluded items are not reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. As such, management believes that non-IFRS measures may be useful to investors and other third parties because they allow for greater transparency with respect to key metrics used by the Company in its financial and operational decision making.

These non-IFRS measures are intended to provide additional information and should not be considered in isolation nor as a substitute for measures of performance prepared in accordance with IFRS. In this MD&A, management uses the following measures, which are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are unlikely to be comparable to similar measures presented by other organizations:

- **Adjusted Net Earnings** – The Company defines Adjusted Net Earnings as net earnings adjusted for non-recurring, one-time or non-cash income or expense, and other items. The Company uses Adjusted Net Earnings to assist in evaluating its operating performance. The Company believes that this non-IFRS measure provides meaningful supplemental information to investors and other third parties regarding operating results because it excludes certain income or expense items that are non-cash in nature and/or do not relate to core operating activities of the Company's underlying business and which may not be indicative of the Company's future financial results.

  The adjustments may include, but are not limited to, the after-tax impact of acquisition and integration costs, share-based compensation, amortization of intangibles and other income (expenses).

  Please see – "Discussion of Operating Results - Adjusted Net Earnings" below for a reconciliation of the Company's net earnings to Adjusted Net Earnings.

- **EBITDA** - The Company defines EBITDA as earnings from operations before finance costs, taxes, depreciation and amortization (including amortization of tangible and intangible assets and amortization of cemetery property). The Company believes EBITDA to be an important measure that allows investors and other third parties to assess the operating performance of its ongoing business and to compare its results to prior periods and to the results of its competitors.

  The Company's cemetery property inventory is acquired or constructed over many years, if not decades, in advance of its sale. The cash associated with this investing activity is a cash outflow in the period in which the inventory is acquired or constructed and classified as investing activities in the Company's consolidated statement of cash flows. As sales occur, the Company draws down its inventory by making a non-cash charge to cost of sales.

  Please see the "Discussion of Operating Results - EBITDA and Adjusted EBITDA" and "Unaudited Quarterly Information" below for a reconciliation of the Company's earnings from operations to EBITDA.

- **Adjusted EBITDA** - Adjusted EBITDA is EBITDA adjusted for non-cash share-based compensation. The Company believes that the inclusion of Adjusted EBITDA also provides useful supplementary information to investors and other third parties that allows them to assess the operating performance of the Company's ongoing business and to compare its results to prior periods and to the results of its competitors.

  Please see the "Discussion of Operating Results - EBITDA and Adjusted EBITDA" and "Unaudited Quarterly Information" below for a reconciliation of the Company's EBITDA to Adjusted EBITDA.

- **Adjusted EBITDA Margin** – the Company calculates Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of total net revenue. The Company believes the Adjusted EBITDA Margin helps to assess the operating performance of the Company and to compare its results to prior periods and to the results of its competitors.

- **Free Cash Flow** - Free Cash Flow is defined as cash provided by (used in) operating activities less maintenance capital expenditures to maintain its existing operations, inventory additions to its cemetery properties, and lease payments. The Company believes that the inclusion of Free Cash Flow is useful as it relates cash flow from operations to the capital that is spent to continue and improve business operations. Free Cash Flow facilitates our ability to strengthen the Company's balance sheet, repay our debt obligations, pay cash dividends, and fund organic growth initiatives and acquisitions.

Please see "Dividends and Free Cash Flow" below for a reconciliation of the Company's earnings from operations to Free Cash Flow.

- **Comparable Operations** – consists of business units or operating locations owned by the Company for the entire period from January 1, 2021, and ending September 30, 2022.

- **Comparable Cemetery Operations –** means Comparable Operations from the Company's cemetery businesses.

- **Comparable Funeral Operations** – means Comparable Operations from the Company's funeral businesses.

- **Acquired Operations** – consists of business units or operating locations acquired by the Company during the period from January 1, 2021, and ending September 30, 2022.

- **Total Debt** – consists of the aggregate of the book value of long-term debt, notes payable, lease liabilities and senior unsecured debentures, plus associated deferred financing costs and debt issuance costs.

- **Leverage Ratio** – is defined in the third amended and restated credit agreement between the Company and a syndicate of lenders led by National Bank of Canada, dated August 31, 2021 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Credit Facility**"), and is calculated as total indebtedness to trailing twelve months Adjusted EBITDA. Total indebtedness as defined in the Credit Facility, includes the face value of bank debt, mortgages, vehicle loans, notes payable, lease liabilities and letters of credit, and is offset by cash on hand. Trailing twelve months Adjusted EBITDA is calculated in accordance with the Credit Facility and includes Adjusted EBITDA for Acquired Operations in the period relative to a 12-month period (or pro-rated as necessary) prior to acquisition by the Company.

  This non-IFRS measure helps to assess the Company's ability to repay the principal of its total indebtedness and assess the Company's use of leverage in the performance of the Company's operations.

- **Interest Coverage Ratio** – is calculated as the ratio of trailing twelve months Adjusted EBITDA to interest expense. The Interest Coverage Ratio is defined by and calculated in accordance with the Credit Facility.

  This non-IFRS measure helps to assess the Company's ability to service its ongoing interest payments.

Overview

PLC is an Ontario corporation listed on the Toronto Stock Exchange (the "**TSX**") under the stock symbol of "PLC" and "PLC.U", its U.S. denominated ticker symbol, under which purchases and sales of common shares of the Company ("**Common Shares**") can be made in USD. PLC is the only Canadian publicly listed cemetery, funeral and cremation operating company.

The Company is one of the largest providers of deathcare products and services in North America. The Company sells its products and services both at the time of need (at-need) and on a pre-arranged basis (pre-need). As at the date of this MD&A, PLC and its subsidiaries operate in 3 Canadian provinces and 17 U.S. states, which consist of 141 cemeteries and 159 funeral homes (including 34 on-sites where a funeral home is located on a cemetery), each of which services different areas and provides a different combination of products and services. The Company's primary products and services are cemetery lots, crypts, niches, monuments, caskets, urns and other merchandise, funeral services, after life celebration services, and cremation services.

PLC strives to be North America's premier funeral, cremation and cemetery provider, and the indisputable choice for funeral and cemetery services in the communities it serves. The Company's growth strategy includes organic initiatives, the optimization of product and service offerings, a focus on streamlining and improving its operational efficiencies, and future acquisitions which align with the Company's culture. Organic initiatives include the build-out of inventory at new or existing cemetery properties, remodeling of existing funeral homes, construction of new stand-alone funeral homes and construction of new funeral homes on existing cemetery properties (referred to as on-sites or combination properties). These projects unlock new sources of revenue for existing businesses while increasing the useful life of PLC's existing portfolio by allowing certain facility, personnel, and equipment costs to be shared between funeral service and cemetery locations.

Potential industry and economic factors affecting PLC's operating results include: disruptions in the supply chain, which have led to increased lead times and in some cases, increases in cost in the Company's supply base; rising economic inflation rates; general market downturn; the Russia-Ukraine conflict; staff shortages; demographic trends in terms of population growth and average age; establishing and maintaining leading market share positions supported by strong local heritage and relationships; effectively responding to increasing cremation trends by selling complementary services and merchandise; and controlling salary and merchandise costs. A detailed set of risks applicable to the Company are included in the Company's Annual Information Form ("**AIF**") for the year ended December 31, 2021 and is available on SEDAR at www.sedar.com and on the Company's website at www.parklawncorp.com.

During the quarter ended September 30, 2022, PLC's operating performance continued to normalize as the COVID-19 pandemic trends towards endemic. As a result, the impacts of the COVID-19 pandemic on PLC's sequential and year-over-year performance were reduced. Although management expects revenue from Comparable Operations to decrease year-over-year compared to the fourth quarter of 2021 and the first quarter of 2022 as mortality rates normalize, due to uncertainties relating to the severity and duration of the COVID-19 pandemic, including existing and possible future variants, and various potential outcomes, it is difficult at this time to estimate the full extent of any future impacts of the COVID-19 pandemic on PLC's business or future financial results and related assumptions. The Company's business and financial results could be negatively impacted in future periods. However, the extent to which the COVID-19 pandemic may adversely impact PLC will depend on future developments that are difficult to predict, including the continued distribution of approved vaccines and treatments, and the potential development and distribution of new vaccines and treatments, as well as new information which may emerge concerning the severity, duration and resurgences of the COVID-19 pandemic and its variants and the actions required to contain such health risks or remedy its impacts, among others.

Although the reduction of year-over-year mortality rates has impacted the financial results for the nine-month period ended September 30, 2022, the Company still expects to achieve its aspirational goal set out under the heading "Outlook" in the Company's management's discussion and analysis for the second quarter of 2018 (filed on SEDAR on August 14, 2018), of achieving a pro forma Adjusted EBITDA of C$100 million by the end of 2022.

Financial Highlights

The table below summarizes selected financial information as at September 30, 2022, and the relevant comparable periods:

		September 30, 2022		December 31, 2021		December 31, 2020
Cash	$	31,068,869	$	20,785,798	$	24,721,246
Total Assets	$	1,401,655,675	$	1,406,060,695	$	1,202,118,574
Total Non-Current Liabilities	$	806,544,251	$	822,414,367	$	758,353,878
Total Debt [(1)]	$	213,554,117	$	171,504,908	$	190,576,902
Total Shareholder's Equity	$	552,056,852	$	540,033,450	$	403,314,399
Number of Shares Issued and Outstanding		33,874,586		33,930,209		29,564,526
Quarterly Dividend Paid per Share (CAD)	$	0.114	$	0.114	$	0.114
Leverage Ratio		1.49x		0.98x		1.55x
Interest Coverage Ratio		30.42x		30.63x		12.45x

[(1)] Total Debt – consists of the aggregate of the book value of long term debt, notes payable, lease liabilities and senior unsecured debentures, each as shown on the consolidated statement of financial position of the Company for the nine-month period ended September 30, 2022 (being an aggregate of $210,136,734, plus associated deferred financing costs of $1,331,271 and debt issuance costs of $2,086,112) and for the annual audited consolidated statement of financial position for the year ended December 31, 2021 (being an aggregate of $167,478,226, plus the face amount of deferred financing costs of $1,480,644 and debt issuance costs of $2,546,038) and for the year ended December 31, 2020 (being an aggregate of $185,615,566, plus the face amount of deferred financing costs of $1,595,445 and debt issuance costs of $3,365,891).

The following table provides selected financial information and analysis about PLC's performance in Q3, and YTD 2022 compared with Q3 and YTD 2021.

	Three Months Ended September 30,						Nine Months Ended September 30,					
		2022		2021		Increase(decrease)		2022		2021		Increase(decrease)
Net Revenue	$	80,871,605	$	73,038,015	$	7,833,590	$	239,966,427	$	215,822,378	$	24,144,049
Earnings From Operations	$	9,440,002	$	11,661,356	$	(2,221,354)	$	30,640,019	$	34,120,785	$	(3,480,766)
Net Earnings, PLC shareholders	$	5,323,908	$	7,186,518	$	(1,862,610)	$	19,833,812	$	20,699,199	$	(865,387)
Adjusted Net Earnings, PLC shareholders	$	7,764,988	$	9,585,999	$	(1,821,011)	$	25,566,160	$	27,882,339	$	(2,316,179)
Adjusted EBITDA, PLC shareholders	$	18,155,459	$	18,654,958	$	(499,499)	$	55,176,279	$	56,329,598	$	(1,153,319)
Adjusted EBITDA Margin		22.4%		25.5%		(310) bps		23.0%		26.2%		(320) bps
Net Earnings Per Share - Basic	$	0.155	$	0.231	$	(0.076)	$	0.579	$	0.686	$	(0.108)
Net Earnings Per Share - Diluted	$	0.153	$	0.229	$	(0.076)	$	0.570	$	0.677	$	(0.107)
Adjusted Net Earnings Per Share - Basic	$	0.226	$	0.308	$	(0.082)	$	0.746	$	0.925	$	(0.179)
Adjusted Net Earnings Per Share - Diluted	$	0.224	$	0.305	$	(0.081)	$	0.735	$	0.913	$	(0.178)
Adjusted EBITDA Per Share - Basic	$	0.529	$	0.600	$	(0.071)	$	1.610	$	1.868	$	(0.258)
Adjusted EBITDA Per Share - Diluted	$	0.523	$	0.593	$	(0.070)	$	1.585	$	1.844	$	(0.259)
Weighted Average Number of Common Shares												
Basic		34,315,507		31,092,526		3,222,981		34,268,572		30,157,416		4,111,156
Diluted		34,706,835		31,436,261		3,270,574		34,801,694		30,555,003		4,246,691

Adjusted Net Earnings, Adjusted EBITDA and Adjusted EBITDA Margin are non-IFRS measures.
See "Description of non-IFRS measures".

Third Quarter Summary

The following points summarize PLC's financial and operational highlights from Q3 2022:

- For the three month period ended September 30, 2022, net revenue increased by 10.7% to $80,871,605, compared to the three month period ended September 30, 2021. Revenue growth was supported by strong sales at the Company's Acquired Operations, which increased by $8,498,984. Revenue growth from Comparable Operations experienced a slight decrease of $519,455, primarily due to decreases in call volumes at the funeral home properties as a result of the decrease in year-over-year mortality.
- Net earnings attributable to shareholders of PLC (the "**Shareholders**") decreased by 25.9% to $5,323,908 for the three month period ended September 30, 2022, compared to $7,186,518 for the three month period ended September 30, 2021, due to decreases in revenue from Comparable Operations, increased operating costs such as labour, utilities, fuel, maintenance, and corporate costs associated with the company's growth.
- Net earnings margin for the three month period ended September 30, 2022, was 6.6% compared to 9.8% margin for the three month period ended September 30, 2021.
- Earnings from operations decreased by 19.0% to $9,440,002, compared to the three month period ended September 30, 2021, due primarily to a decrease in net revenue from a declining year-over-year mortality rate, and an increase in operating expenses as a result of the Company's growth and rising inflation rates.
- Diluted net earnings per Common Share to Shareholders decreased by $0.076 or 33.2% for the three month period ended September 30, 2022, compared to the three month period ended September 30, 2021.
- Diluted Adjusted Net Earnings per Common Share to Shareholders decreased by $0.081 or 26.6% for the three month period ended September 30, 2022, compared to the three month period ended September 30, 2021.
- Adjusted EBITDA to Shareholders decreased by 2.7% to $18,155,459 for the three month period ended September 30, 2022, compared to the three month period ended September 30, 2021.
- Adjusted EBITDA margin for the three month period ended September 30, 2022, was 22.4%, a 310 bps decrease over the comparable period in 2021.
- As at September 30, 2022, the Company's Leverage Ratio was 1.49x, and inclusive of the Company's outstanding debentures was 2.26x.
- The Company's Interest Coverage Ratio increased 4.99x from September 30, 2021, to 30.42x on September 30, 2022, and inclusive of interest from the Company's outstanding debentures, totaled 12.42x as of September 30, 2022.
- On September 30, 2022, the Company had $133,493,435 outstanding on the Credit Facility including letters of credit, and an undrawn balance of $106,506,565.
- On August 3, 2022, PLC announced the opening of Westminster Funeral & Reception Centre ("**Westminster On-site**"). This state-of-the-art 32,100 square foot on-site funeral visitation and reception centre is located in Toronto, Ontario and contributes to the organic growth strategy of the Company.
- On August 8, 2022, PLC acquired substantially all of the assets of Farris Funeral Service, Inc. and Affiliated Service Group, Inc. ("**Farris**"), a group of businesses consisting of one stand-alone funeral home and one on-site funeral home and cemetery located in Abingdon, Virginia. The Farris transaction represents 358 calls per year and 224 interments and was financed with funds from the Credit Facility and available cash on hand. The agreed upon purchase price multiple for the Farris transaction is within PLC's publicly stated targeted Adjusted EBITDA multiple range for transactions of this size and nature. Following integration, the Farris acquisition is expected to add approximately US$1,150,000 in Adjusted EBITDA annually.

- On August 11, 2022, the Company received approval from the TSX to establish a normal course issuer bid ("**NCIB**"). Under the NCIB, the Company may, during the twelve-month period commencing August 17, 2022, and ending August 16, 2023, purchase up to a maximum of 3,385,439 Common Shares. All Common Shares purchased by the Company under the NCIB will be cancelled or transferred to and held by a trust established by PLC for the settlement of awards issued under the Company's equity incentive plan (the "**EIP**"). During the nine months ended September 30, 2022, an aggregate of 200,985 Common Shares were purchased under the NCIB for total consideration of $3,705,596 (C$4,996,964) and are being held in trust for the settlement of awards issued under the EIP.
- On September 12, 2022, PLC acquired substantially all of the assets of Shackelford Corporation ("**Shackelford**"), a group of businesses consisting of eight stand-alone funeral homes, two stand-alone cemeteries and one on-site funeral home and cemetery located in and around the Savannah, Tennessee area. The Shackelford transaction represents 1,577 calls per year and 152 interments and is expected to be financed with funds from PLC's credit facility and available cash on hand. The agreed purchase price multiple for the Shackelford transaction is slightly greater than PLCs publicly stated targeted Adjusted EBITDA multiple range for transactions of this size and nature. Following the closing and integration, the Shackelford acquisition is expected to add approximately US$3,400,000 in Adjusted EBITDA annually.

Subsequent Events

On October 12, 2022, the Company entered into a definitive agreement to acquire substantially all of the assets of Muehlebach Funeral Care in Kansas City, Missouri, Skradski-Pierce Funeral Home in Kansas City, Kansas and Assurance Cremation Society in Kansas City, Missouri (collectively "**Muehlebach**"), expanding its footprint in the Kansas City metropolitan market.

Highlights of the transaction include:

- The addition of three stand-alone funeral homes.
- The transaction represents 627 calls per year and is expected to be financed with funds from PLC's credit facility and available cash on hand.
- Following the closing and integration of the transaction, the Muehlebach acquisition is expected to add approximately US$616,000 in Adjusted EBITDA annually.
- The agreed upon purchase price multiple for the transaction is within PLC's publicly stated targeted Adjusted EBITDA multiple range for its historical transactions.

The Muehlebach acquisition is anticipated to close in November 2022, following the receipt of regulatory approval.

Additionally, the Company has acquired substantially all of the assets of:

- October 5, 2022 – Ertel Funeral Home & Crematory ("**Ertel**"), a stand-alone funeral home located in Cortez, Colorado, serving the families of Dolores and Montezuma Counties and the Ute Mountain and Navajo tribes.
- November 2, 2022 – Brown's Cremation & Funeral Service ("**Brown's**"), a stand-alone funeral home located in Grand Junction, Colorado.
- November 7, 2022 – Taylor Funeral Home ("**Taylor**") consisting of three stand-alone funeral homes and one on-site funeral home and cemetery combination located in Delta, Cedaredge, Hotchkiss and Paonia, Colorado.

Highlights of the Ertel, Brown's and Taylor transactions include:

- The addition of five stand-alone funeral homes; and one on-site funeral home and cemetery.
- The combined transactions represent 1,738 calls per year and 35 interments and are expected to be financed with funds from PLC's credit facility and available cash on hand.

- Following the closing and integration of all three businesses, the Ertel, Brown's and Taylor' acquisitions are expected to add approximately US$1,618,000 in Adjusted EBITDA annually.
- The agreed upon purchase price multiple for each of the transactions is within PLC's publicly stated targeted Adjusted EBITDA multiple range for its historical transactions.

Discussion of Operating Results

Three Months ended September 30, 2022

Net Revenue less Cost of Sales

Net revenue less cost of sales for the three month period ended September 30, 2022, was $67,854,366 compared to $61,458,992, in the same period in 2021. This represents an increase of $6,395,374 or 10.4%, over the same period in 2021.

Net revenue is derived primarily from net sales of property, merchandise and services by the Company's cemetery, funeral and cremation businesses. Net revenue and cost of sales for the three month period ended September 30, 2022, and 2021 are as follows:

	September 30, 2022	September 30, 2021
Net sales	$ 76,408,863	$ 69,907,688
Income from care and maintenance funds	2,399,547	2,069,333
Interest and other income	2,063,195	1,060,994
Net revenue	80,871,605	73,038,015
Cost of sales	13,017,239	11,579,023
Net revenue less cost of sales	$ 67,854,366	$ 61,458,992

Net revenue for the three month period ended September 30, 2022, was $80,871,605 compared to $73,038,015 in the same period in 2021. This represents an increase of $7,833,590 or 10.7%, over the same period in 2021.

Net revenue increased 11.6% due to Acquired Operations. This increase was offset in part by a decrease in revenue from Comparable Operations.

Net revenue from Comparable Operations decreased by 0.8% when compared to the same period in 2021, primarily due to a decline in call volumes at the Company's funeral home properties, dropping 8.0% year-over-year.

Comparable Operations for the third quarter of 2022 experienced an 8.0% decrease in call volumes year-over-year as mortality rates continue to normalize. In addition, due in part to higher volumes of cremations, the average revenue per call decreased by approximately 1.9% compared to the three month period ended September 30, 2021, because the average revenue for cremations is lower than traditional burials.

Pre-need property sales increased by $3,216,422, in part due to large group sales in certain cemetery businesses. This was partially offset by a decrease in at-need property sales as mortality rates continue to normalize.

Income from the Company's care and maintenance trust funds (the "**Care and Maintenance Trust Funds**") for the three month period ended September 30, 2022, was $2,399,547 compared to $2,069,333 in the same period of 2021, which represents an increase of $330,214 or 16.0%. This increase is primarily driven from the timing of distributions from certain investments of the trust funds during the three-month period ended September 30, 2022. Income from the Company's Care and Maintenance Trust Funds may vary based on market returns, timing of capital gains and other distributions, along with income from trust funds obtained from Acquired Operations.

Interest and other income for the three month period ended September 30, 2022, was $2,063,195 compared to $1,060,994 in the same period in 2021, which represents an increase of $1,002,201 or 94.5%. This increase is due to imputed interest being recorded on large long-term property contracts with no stated interest.

Cost of sales for the three month period ended September 30, 2022, was $13,017,239 compared to $11,579,023 in the same period in 2021. This represents an increase of $1,438,216 or 12.4% over the same period in 2021. The increase was primarily a result of Acquired Operations which increased the cost of sales by $1,763,769. This was offset by a decrease in the cost of sales for Comparable Operations in the amount of $325,554.

Operating Expenses

Operating expenses for the three month period ended September 30, 2022, were $58,414,364 compared to $49,797,636 in the same period in 2021. This represents an increase of $8,616,728 or 17.3% over the same period in 2021, as indicated below:

	September 30, 2022	**September 30, 2021**
General and administrative	$ 39,126,114	$ 31,926,830
Amortization of intangibles	162,662	277,467
Maintenance	7,485,168	6,729,203
Advertising and selling	8,277,213	8,111,865
Finance costs	2,209,301	1,845,010
Incentive compensation	1,153,906	907,261
	$ 58,414,364	$ 49,797,636

The Company's general and administrative expenses increased by $7,199,284, the majority of which is attributable to increases in Acquired Operations of $4,846,889 and increases in corporate costs by $1,209,541. The increases in corporate costs are due to rising labour rates, additional IT infrastructure development and maintenance required from the recent and expected growth, additional audit and tax compliance fees, and increases in conference and travel costs. These increases were partially offset by decreases in corporate incentive accruals made during the period. Comparable Operations increased by $1,142,853 which is attributed to increases in rising labour costs and other inflationary costs such as utilities, vehicle expenses and increased depreciation.

Maintenance expenses increased by $755,965 or 11.2% of which $422,003 relates to Acquired Operations and the remaining increase is primarily due to inflationary costs at the Company's cemetery businesses. Comparable Operations saw increases of $330,869 primarily due to higher costs of labour, landscaping maintenance, utilities, and fuel.

Advertising and selling expenses increased by $165,348 for the three month period ended September 30, 2022, compared to 2021. Advertising and selling expenses decreased at Comparable Operations by $164,963 and corporate costs decreased by $259,154 due to the timing of banquet events, reduced commission expenses, and a reallocation of certain expenses to general and administrative expenses. This was offset by an increase of $589,466 in advertising and selling expenses from Acquired Operations.

Finance costs for the three month period ended September 30, 2022, primarily include interest expense on the Credit Facility and the Debentures. Finance costs increased by $364,291 for the three month period ended September 30, 2022, compared to the same period in 2021 as a result of $65,163,943 more debt outstanding on the Company's Credit Facility year-over-year. The interest rate on the Credit Facility was 3.7% on September 30, 2022, compared to 1.1% on December 31, 2021, and 1.2% compared to September 30, 2021. Proceeds from the 2021 Financing (as defined herein) were used to pay down the Credit Facility in the third quarter of 2021 to free up capacity to fund potential future acquisitions and organic growth opportunities and for general corporate purposes.

The Company's EIP was established in the third quarter of 2016, as a means of compensating directors and designated employees of the Company and its subsidiaries, and to promote share ownership and ensure alignment with Shareholders' interests. The EIP provides for the grant of deferred share units ("**DSUs**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**"), and options to acquire Common Shares ("**Options**"). The EIP was amended in May of 2019, September of 2020, September of 2022 and July of 2022. Compensation expenses associated with awards granted under the EIP for the three month period ended September 30, 2022, were $1,153,906 compared to $907,261 for the same period in 2021, which represents an increase of $246,645. Share-based incentive compensation expenses will vary based on vesting conditions, performance metrics, the market value of the underlying security, and the timing of when awards are issued. For the three month period ended September 30, 2022, compensation expenses increased by $355,131 due to additional units awarded in the second quarter of 2022 and the fourth quarter of 2021, offset in-part by the vesting of Options in the aggregate amount of $108,486 during the first and second quarter of 2022, when compared to the three month period ended September 30, 2021.

As a result of the above, earnings from operations for the three month period ended September 30, 2022, totaled $9,440,002 compared to $11,661,356 for the same period in 2021. This represents a decrease of $2,221,354 or 19.0%.

Acquisition and integration costs, other income (expenses) and income tax expense for the three month period ended September 30, 2022, and 2021 are as follows:

	September 30, 2022	September 30, 2021
Earnings from operations	$ 9,440,002	$ 11,661,356
Acquisition and integration costs	(1,834,889)	(1,439,573)
Other income (expenses)	(89,080)	(311,766)
Earnings before income taxes	7,516,033	9,910,017
Income tax expense	2,192,125	2,723,499
Net earnings for the period	$ 5,323,908	$ 7,186,518

During the three month period ended September 30, 2022, and 2021, the Company incurred acquisition and integration expenses of $1,834,889 and $1,439,573, respectively. Acquisition expenses will vary from period to period depending on the size and level of acquisition activity, and include expenses relating to legal, financial and tax due diligence, post-closing audits, representation and warranty insurance premiums, preparation of independent valuation reports, the preparation of reports for regulatory compliance purposes, and internal compensation.

Other income (expenses) comprised of the following:

- $103,219 and $56,383 of expenses for the three month period ended September 30, 2022, and 2021, respectively, including legal costs relating to the preservation of certain historical investments and obligations associated with those investments, as well as costs for the defence of intellectual property created by the Company.
- $245,088 of impairment on other assets for the three month period ended September 30, 2021.
- Net gain of $14,139 related to the disposition of miscellaneous equipment for the three month period ended September 30, 2022, and net loss of $10,295 related to the disposition of miscellaneous equipment for the period ended September 30, 2021.

Income tax expense for the three month period ended September 30, 2022, was $2,192,125 compared to $2,723,499 for the same period in 2021. The effective tax rate for the three month period ended September 30, 2022, was 29.2% which is higher than the Company's statutory tax rates. The effective tax rate will differ from the Company's statutory tax rates primarily due to permanent differences in operating expenses that are not tax deductible, offset by non-taxable dividend income. The effective tax rate for the same period in 2021 was 27.5%. The higher rate in 2022 was due to higher non-deductible expenses.

As a result of the above, the Company's net earnings for the three month period ended September 30, 2022, totaled $5,323,908 compared to $7,186,518 for the same period in 2021, which represents a decrease of $1,862,610 or 25.9% over the same period in 2021.

Earnings Per Share

The weighted average diluted number of Common Shares outstanding for the three month period ended September 30, 2022, increased to 34,706,835 compared to 31,436,261 for the same period in 2021, an increase of 3,270,574 or 10.4%. The increase in outstanding Common Shares relates primarily to the Company's bought deal financing, which closed on September 3, 2021 (the "**2021 Financing**"), pursuant to which, the Company issued 4,081,000 Common Shares at a price of C$36.40 per Common Share for total gross proceeds of C$148,548,400 (including the exercise of the full over-allotment option), the issuance of Common Shares pursuant to the Company's dividend reinvestment plan ("**DRIP**") and an increase in awards that have vested and were awarded pursuant to the EIP.

Fully diluted earnings per Common Share attributable to Shareholders for the three month period ended September 30, 2022, were $0.153 compared to $0.229 for the same period in 2021.

Adjusted Net Earnings

Net earnings for the three month period ended September 30, 2022, and 2021 as stated, have been impacted by certain one-time, non-recurring or non-cash revenue and expense, and other items that management believes should be highlighted to better explain the Company's operating performance for the periods under review on an adjusted basis. The table below reconciles Adjusted Net Earnings for the three month period ended September 30, 2022, and 2021 to the Company's net earnings:

	Three Months Ended September 30, 2022		2021	
Net Earnings	$	5,323,908	$	7,186,518
Adjusted for the impact of:				
Amortization of intangible assets		162,662		277,467
Share based compensation		1,153,906		907,261
Acquisition and integration costs		1,834,889		1,439,573
Other (income) expenses		89,080		311,766
Tax effect on the above items		(799,457)		(536,586)
Adjusted Net Earnings, PLC shareholders	$	7,764,988	$	9,585,999
Adjusted Net Earnings - per share				
Basic	$	0.226	$	0.308
Diluted	$	0.224	$	0.305
Weighted Average Shares				
Basic		34,315,507		31,092,526
Diluted		34,706,835		31,436,261

Adjusted Net Earnings is non-IFRS measure. See "Description of non-IFRS measures".

Adjusted Net Earnings attributable to Shareholders for the three month period ended September 30, 2022, was $7,764,988 and $0.224 per share, diluted, compared to $9,585,999 and $0.305 per share, diluted, for the same period in 2021. This represents a decrease of 19.0% in the Adjusted Net Earnings and 26.6% in the Adjusted Net Earnings per share over the same three month period in 2021.

EBITDA and Adjusted EBITDA

The table below reconciles EBITDA and Adjusted EBITDA for the three month period ended September 30, 2022, and 2021 to earnings from operations:

	Three Months Ended September 30,			
		2022		**2021**
Earnings from operations	$	9,440,002	$	11,661,356
Adjusted for the impact of:				
Finance costs		2,209,301		1,845,010
Depreciation and amortization		3,532,315		2,796,192
Amortization of cemetery property		1,819,935		1,445,139
EBITDA, PLC shareholders		17,001,553		17,747,697
Share based compensation		1,153,906		907,261
Adjusted EBITDA, PLC shareholders	$	18,155,459	$	18,654,958
EBITDA, PLC shareholders - per share				
Basic	$	0.495	$	0.571
Diluted	$	0.490	$	0.565
Adjusted EBITDA, PLC shareholders - per share				
Basic	$	0.529	$	0.600
Diluted	$	0.523	$	0.593
Weighted Average Shares Outstanding				
Basic		34,315,507		31,092,526
Diluted		34,706,835		31,436,261

EBITDA and Adjusted EBITDA are non-IFRS measures. See "Description of non-IFRS measures".

Adjusted EBITDA attributable to Shareholders for the three month period ended September 30, 2022, was $18,155,459 compared to $18,654,958 during the same period in 2021, which represents a decrease of $499,499 or 2.7%. The fully diluted Adjusted EBITDA per share for the three month period ended September 30, 2022, was $0.523 compared to $0.593 for the same period in 2021, a quarter over quarter decrease of $0.070 or 11.8%.

The Adjusted EBITDA profit margin for the three month period ended September 30, 2022, was 22.4% compared to 25.5% for the same period in 2021, representing a 310 bps decrease.

Nine Months ended September 30, 2022

Net Revenue less Cost of Sales

Net revenue less cost of sales for the nine month period ended September 30, 2022, was $200,547,681 compared to $181,429,169 in the same period in 2021. This represents an increase of $19,118,512 or 10.5%, over the same period in 2021.

Net revenue is derived primarily from net sales of property, merchandise and services by the Company's cemetery, funeral and cremation businesses. Net revenue and cost of sales for the nine months period ended September 30, 2022, and 2021 are as follows:

	September 30, 2022	September 30, 2021
Net sales	$ 228,993,874	$ 205,039,983
Income from care and maintenance funds	6,990,454	6,637,097
Interest and other income	3,982,099	4,145,298
Net revenue	239,966,427	215,822,378
Cost of sales	39,418,746	34,393,209
Net revenue less cost of sales	$ 200,547,681	$ 181,429,169

Net revenue for the nine month period ended September 30, 2022, was $239,966,427 compared to $215,822,378 in the same period of 2021. This represents an increase of $24,144,049 or 11.2%, over the same period in 2021.

Net revenue increased primarily due to Acquired Operations, which increased $30,829,972 year-over-year, offset by a decrease in net revenue from Comparable Operations and the disposition of the Company's Manitoba and Saskatchewan businesses during the three month period ended June 30, 2021.

Net revenue from Comparable Operations declined by 2.4% when compared to the same period in 2021, primarily due to lower call volumes at the Company's funeral businesses and decreases in at-need cemetery sales from declining mortality rates, as well as, supply chain issues that caused delays in post-sale merchandise deliveries.

Comparable Funeral Operations experienced a 3.5% decrease in call volumes which were partially offset by strong averages in the first and second quarter. Year-over-year at-need sales from Comparable Cemetery Operations decreased by approximately 7.0% due to reduced sales from at-need property throughout the year and delayed delivery of merchandise and service sales in the first half of 2022 offset by strong pre-need sales primarily in the third quarter of 2022. The decrease in sales of merchandise and services was partially driven by delays in the delivery of post-sale merchandise from suppliers.

Income from the Care and Maintenance Trust Funds for the nine month period ended September 30, 2022, was $6,990,454 compared to $6,637,097 in the same period of 2021, which represents an increase of $353,357 or 5.3%. This increase is primarily driven from income contributions from Acquired Operations, which contributed $403,493 of additional income offset by Comparable Operations which decreased $50,137 due to the timing and nature of distributions from the trust.

Interest and other income for the nine month period ended September 30, 2022, was $3,982,099 compared to $4,145,298 in the same period in 2021, which represents a decrease of $163,199 or 3.9%. This decrease relates primarily to the special distributions from certain real estate investments of the pre-need trust fund in the state of Michigan of $679,238 in the second quarter of 2021, and to a loan relating to a land investment being repaid during the first quarter of 2021 of $316,319, offset by an increase in imputed interest recorded on large property contracts with no stated interest.

Cost of sales for the nine month period ended September 30, 2022, was $39,418,746 compared to $34,393,209 in the same period in 2021. This represents an increase of $5,025,537 or 14.6%, over the same period in 2021. Cost of sales increased by 15.0% primarily as a result of Acquired Operations, offset by the disposition of the Company's Manitoba and Saskatchewan businesses in the second quarter of 2021.

Operating Expenses

Operating expenses for the nine month period ended September 30, 2022, were $169,907,662 compared to $147,308,384 in the same period in 2021. This represents an increase of $22,599,278 or 15.3% over the same period in 2021, as indicated below:

	September 30, 2022	September 30, 2021
General and administrative	$ 114,105,419	$ 93,871,976
Amortization of intangibles	864,235	1,102,227
Maintenance	21,310,569	19,532,161
Advertising and selling	24,297,609	24,088,622
Finance costs	5,490,681	5,970,288
Share based incentive compensation	3,839,149	2,743,110
	$ 169,907,662	$ 147,308,384

A majority of the increase in operating expenses compared to the same period in 2021 was due to increases in general and administrative expenses from both Acquired Operations and corporate activities.

General and administrative expenses increased by $20,233,443 or 21.6%. The increase from Acquired Operations is $15,383,818 which represents 16.4% of the overall increase. Corporate costs increased by $3,192,837 which is primarily associated with recent and expected growth of the Company, rising labour rates, additional IT infrastructure development and maintenance required from the recent and expected growth, additional audit and tax compliance fees, and increases in conference and travel costs. These increases were partially offset due to a reduction in incentive compensation accrual for corporate employees. General and administrative costs from Comparable Operations increased by $2,467,923 predominantly due to increased labour costs and other inflationary costs such as utilities and fuel. Other decreases of $811,135 were a result of the sale of the Company's Manitoba and Saskatchewan businesses during the second quarter of 2021.

Maintenance expenses increased by $1,778,408 or 9.1% compared to the same period in 2021. A portion of the increase, $1,183,562, is from Acquired Operations, with the remaining amount of $623,671 coming from Comparable Operations. Comparable Operations saw increases of $644,227, primarily due to higher costs in labour, utilities, and vehicle fuel.

Advertising and selling expenses increased by $208,987 or 0.9%. The increase from Acquired Operations was $1,682,645, offset in-part by Comparable Operations, which decreased by $1,251,279, primarily due to less commissions expense associated with cemetery sales and the reorganizing of incentive plans at certain businesses.

Finance costs for the nine month period ended September 30, 2022, primarily include interest expenses on the Credit Facility and on the Debentures. Finance costs decreased by $479,607 for the nine month period ended September 30, 2022, compared to the same period in 2021. Proceeds from the 2021 Financing were used to pay down the Credit Facility in the third quarter of 2021, resulting in lower debt outstanding during the first six months of 2022. Year-over-year, debt increased by $65,163,943 on the Company's Credit Facility, of which, $43,078,410 was incurred during the third quarter of 2022. These additional borrowings in the third quarter of 2022 resulted in an increase in finance costs quarter over quarter. The interest rate on the Credit Facility was 3.7% on September 30, 2022, compared to 1.1% on December 31, 2021, and 1.2% on September 30, 2021.

Compensation expenses associated with awards granted under the EIP for the nine month period ended September 30, 2022, were $3,839,149 compared to $2,743,110 for the same period in 2021, which represents an increase of $1,096,039. Share-based incentive compensation expenses will vary based on vesting conditions, performance metrics, the market value of the underlying security, and the timing of when awards are issued. For the nine month period ended September 30, 2022, compensation expenses increased by $1,557,424 due to the awards granted in the second quarter of 2022 and the fourth quarter of 2021, offset in-part by $461,385 due to certain Options fully vesting in the first quarter of 2022, when compared to the same period in 2021.

As a result of the above, earnings from operations for the nine month period ended September 30, 2022, totaled $30,640,019, compared to $34,120,785 for the same period in 2021. This represents a decrease of $3,480,766 or 10.2%.

Acquisition and integration costs, other income (expenses) and income tax expense, for the nine month period ended September 30, 2022, and 2021 are as follows:

	September 30, 2022	**September 30, 2021**
Earnings from operations	$ 30,640,019	$ 34,120,785
Acquisition and integration costs	(4,591,205)	(3,673,379)
Other income (expenses)	1,438,421	(1,021,372)
Earnings before income taxes	27,487,235	29,426,034
Income tax expense	7,653,423	8,638,829
Net earnings for the period	$ 19,833,812	$ 20,787,205

During the nine month period ended September 30, 2022, and 2021, the Company incurred acquisition and integration expenses of $4,591,205 and $3,673,379, respectively. Acquisition expenses will vary from period to period, depending on the size and level of acquisition activity, and include expenses relating to legal, financial and tax due diligence, post-closing audits, representation and warranty insurance premiums, preparation of independent valuation reports, the preparation of reports for regulatory compliance purposes, and internal compensation.

Other income (expenses) comprised of the following:

- $259,763 and $100,666 of expenses for the nine month periods ended September 30, 2022, and 2021, respectively, include legal costs relating to the preservation of certain historical investments and obligations associated with those investments, as well as costs for the defence of intellectual property created by the Company.
- The sale of the Company's Manitoba and Saskatchewan businesses on June 18, 2021, whereby, the Company received C$3,714,853 and a promissory note receivable of C$1,785,147, which carried an interest rate of 5.0% and matured on December 18, 2021. The transaction resulted in a net loss of $679,601. The disposition of these businesses did not represent a strategic shift in the Company's business and did not have a major effect on its operational or financial results.
- $153,972 and $245,088 of impairment on other assets during the nine month period ended September 30, 2022, and 2021, respectively.
- Net gain of $1,852,156 related to the disposition of land and miscellaneous equipment for the nine month period ended September 30, 2022, and a net gain of $3,983 related to the disposition of miscellaneous equipment for the period ended September 30, 2021.

Income tax expense for the nine month period ended September 30, 2022, was $7,653,423, compared to $8,638,829 for the same period in 2021. The effective tax rate for the nine month period ended September 30, 2022, was 27.8% which is slightly higher than the Company's statutory tax rates. The effective tax rate will differ from the Company's statutory tax rates primarily as a result of certain permanent differences in operating expenses that are not tax deductible, offset by non-taxable dividend income. The effective tax rate for the same period in 2021 was 29.4%. The higher rate in 2021 was due to higher non-deductible expenses, including a taxable capital gain relating to the sale of the Company's Manitoba and Saskatchewan businesses.

As a result of the above, the Company's net earnings for the nine month period ended September 30, 2022, totaled $19,833,812 compared to $20,787,205 for the same period in 2021, which represents a decrease of $953,393 or 4.6% over the same period in 2021.

Earnings Per Share

The weighted average diluted number of Common Shares outstanding for the nine month period ended September 30, 2022, rose to 34,801,694 compared to 30,555,003 for the same period in 2021, representing an increase of 4,246,691 or 13.9%. The rise in outstanding Common Shares relates primarily to the 2021 Financing, pursuant to which, the Company issued 4,081,000 Common Shares at a price of C$36.40 per Common Share for total gross proceeds of C$148,548,400 (including the exercise of the full over-allotment option), the issuance of Common Shares pursuant to the DRIP and an increase in awards that have vested and were awarded pursuant to the EIP.

Fully diluted earnings per Common Share attributable to Shareholders for the nine month period ended September 30, 2022, were $0.570 compared to $0.677 for the same period in 2021.

Adjusted Net Earnings

Net earnings for the nine month period ended September 30, 2022, and 2021 as stated, have been impacted by certain one-time, non-recurring or non-cash revenue and expense, and other items that management believes should be highlighted to better explain the Company's operating performance for the periods under review on an adjusted basis. The table below reconciles Adjusted Net Earnings for the nine month period ended September 30, 2022, and 2021 to the Company's net earnings:

	Nine Months Ended September 30,	
	2022	**2021**
Net Earnings	$ 19,833,812	$ 20,699,199
Adjusted for the impact of:		
Amortization of intangible assets	864,235	1,102,227
Share based compensation	3,839,149	2,743,110
Acquisition and integration costs	4,591,205	3,673,379
Other (income) expenses	(1,438,421)	1,021,372
Tax effect on the above items	(2,123,820)	(1,356,948)
Adjusted Net Earnings, PLC shareholders	$ 25,566,160	$ 27,882,339
Adjusted Net Earnings - per share		
Basic	$ 0.746	$ 0.925
Diluted	$ 0.735	$ 0.913
Weighted Average Shares		
Basic	34,268,572	30,157,416
Diluted	34,801,694	30,555,003

Adjusted Net Earnings is non-IFRS measure. See "Description of non-IFRS measures".

Adjusted Net Earnings attributable to Shareholders for the nine month period ended September 30, 2022, were $25,566,160 and $0.735 per share, diluted, compared to $27,882,339 and $0.913 per share, diluted, for the same period in 2021. This represents a decrease of 8.3% in the Adjusted Net Earnings and 19.5% in the Adjusted Net Earnings per share over the same nine month period in 2021.

EBITDA and Adjusted EBITDA

The table below reconciles EBITDA and Adjusted EBITDA for the nine month period ended September 30, 2022, and 2021 to earnings from operations:

	Nine Months Ended September 30, 2022	2021
Earnings from operations	$ 30,640,019	$ 34,120,785
Adjusted for the impact of:		
Finance costs	5,490,681	5,970,288
Depreciation and amortization	9,960,942	8,602,015
Amortization of cemetery property	5,245,488	5,082,025
Non-controlling interest	-	(188,625)
EBITDA, PLC shareholders	51,337,130	53,586,488
Share based compensation	3,839,149	2,743,110
Adjusted EBITDA, PLC shareholders	$ 55,176,279	$ 56,329,598
EBITDA, PLC shareholders - per share		
Basic	$ 1.498	$ 1.777
Diluted	$ 1.475	$ 1.754
Adjusted EBITDA, PLC shareholders - per share		
Basic	$ 1.610	$ 1.868
Diluted	$ 1.585	$ 1.844
Weighted Average Shares Outstanding		
Basic	34,268,572	30,157,416
Diluted	34,801,694	30,555,003

EBITDA and Adjusted EBITDA are non-IFRS measures. See "Description of non-IFRS measures".

Adjusted EBITDA attributable to Shareholders for the nine month period ended September 30, 2022, was $55,176,279 compared to $56,329,598 during the same period in 2021, which represents a decrease of $1,153,319 or 2.0%. The fully diluted Adjusted EBITDA per share for the nine month period ended September 30, 2022, was $1.585 compared to $1.844 for the same period in 2021, a year over year decrease of $0.259 or 14.0%.

The Adjusted EBITDA profit margin for the nine month period ended September 30, 2022, was 23.0% compared to 26.2% for the same period in 2021, representing a 320 bps decrease.

Geographic Information

For the Company's geographically segmented total assets, the Company has allocated based on the location of assets, as follows:

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Canada	$ 172,849,469	$ 186,641,477
United States	1,228,806,206	1,219,419,218
Total	$ 1,401,655,675	$ 1,406,060,695

For the Company's geographically segmented total liabilities, the Company has allocated based on the location of liabilities, as follows:

	September 30, 2022	December 31, 2021 *(Restated - see Note 4 and Note 7)*
Canada	$ 170,934,090	$ 182,810,793
United States	678,664,733	683,216,452
Total	$ 849,598,823	$ 866,027,245

For the Company's geographically segmented net revenue, the Company has allocated net revenue based on the location of the customer, as follows:

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021 (Restated - see Note 4)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021 (Restated - see Note 4)
Net revenue:				
Net sales:				
Canada	$ 7,348,329	$ 6,539,433	$ 21,496,978	$ 21,712,950
United States	69,060,534	63,368,255	207,496,896	183,327,033
Total net sales	76,408,863	69,907,688	228,993,874	205,039,983
Income from care and maintenance funds:				
Canada	924,374	976,330	2,816,885	3,085,378
United States	1,475,173	1,093,003	4,173,569	3,551,719
Total income from care and maintenance funds	2,399,547	2,069,333	6,990,454	6,637,097
Interest and other income:				
Canada	95,142	133,969	266,483	639,360
United States	1,968,053	927,025	3,715,616	3,505,938
Total interest and other income	2,063,195	1,060,994	3,982,099	4,145,298
Total net revenue:				
Canada	8,367,845	7,649,732	24,580,346	25,437,688
United States	72,503,760	65,388,283	215,386,081	190,384,690
Total net revenue	$ 80,871,605	$ 73,038,015	$ 239,966,427	$ 215,822,378
Total net earnings/loss:				
Canada[1]	(1,189,696)	(1,726,844)	(3,781,995)	(5,476,171)
United States	6,513,604	8,913,362	23,615,807	26,263,376
Total net earnings/loss	$ 5,323,908	$ 7,186,518	$ 19,833,812	$ 20,787,205

[1] Canada's net loss includes shared based incentive compensation and public company costs.

Liquidity and Capital Resources

The Company's principal sources of liquidity are cash provided from operations and from the issuance of debt and equity instruments. Investment income from the Care and Maintenance Trust Funds are used to defray eligible cemetery care and maintenance expenses. The Company had a net working capital of $48,928,570 as of September 30, 2022, including $31,068,869 in cash. Net working capital is calculated as the difference between the Company's current assets and its current liabilities. Fluctuations in operating assets and liabilities between periods may be attributable to the volatility and timing of cash receipts and payments, among other factors.

The Credit Facility, entered into on August 31, 2021, increased the Company's overall borrowing capacity by C$50 million to C$300 million and extended the maturity date to August 31, 2026. The Credit Facility bears variable interest at the banker's acceptance rate plus an applicable margin based on a leverage ratio calculation. As part of the amendment on August 31, 2021, the interest spread of the variable interest rate was reduced, and the Company has the ability, through a U.S. subsidiary, to borrow funds in USD. On July 12, 2022, the Company entered into an amendment to the Credit Facility, transitioning its borrowing capacity from C$300 million to US$240 million and extending the maturity date to August 31, 2027.

Through the 2021 Financing, the Company raised total gross proceeds of C$148,548,400, which were used to repay outstanding indebtedness under the Credit Facility and for strategic growth initiatives including acquisitions, organic growth opportunities and general corporate purposes.

In July 2020, the Company raised C$86,250,000 in gross proceeds from the issuance of publicly traded Debentures. The proceeds were used to repay a portion of the outstanding Credit Facility. For purposes of testing the covenants under the Credit Facility, the Debentures are not included as part of total indebtedness. The Debentures mature on December 31, 2025 and are not redeemable before December 31, 2023.

The Credit Facility requires the Company to maintain a Leverage Ratio of less than 3.75 times and an Interest Coverage Ratio of greater than 3 times. The Company's Leverage Ratio and Interest Coverage Ratio will fluctuate depending on its earnings, interest rates and the amount of its outstanding debt. As of September 30, 2022, the Company was in compliance with both covenant tests with the Leverage Ratio being 1.49 times and the Interest Coverage Ratio being 30.42 times.

At September 30, 2022, the Company had $133,493,435 outstanding on the Credit Facility including letters of credit totaling $552,465. The Company has an undrawn balance on its Credit Facility of $106,506,565 and $31,068,869 in cash on hand as at September 30, 2022.

As at September 30, 2022, the Company had other debt of $12,686,914 comprised of vehicle loans and notes payable to former business owners supporting non-compete and warranty agreements. Further, the Company had $5,607,589 in lease liabilities, and the Debentures balance as at September 30, 2022, was $60,232,535, net of debt issuance costs and accretion expense of $2,086,112.

Management believes that cash from operating activities, future debt financings, and the Credit Facility will be sufficient to support the Company's ongoing business operations, growth initiatives and debt repayment obligations. The Company's cash on hand will fluctuate depending on its revenues, timing of receivables, and inflationary pressures resulting in increased expenses and interest rates. Growth through organic initiatives, the optimization of product and service offerings, a focus on streamlining and improving its operational efficiencies and strategic acquisitions may necessitate the raising of funds through debt, equity financings and/or other means. Decisions will be made on a specific transaction basis and will depend on market and economic conditions at the time. However, given potential industry and economic factors that may impact the Company's financial performance and operations, such that capital and credit markets and industry sentiment are adversely affected, it may be more difficult for the Company to access the necessary capital or credit markets or if able to do so, at a higher cost or less advantageous terms than existing borrowings. In addition, reduced revenue, and higher operating costs due to disruptions in the supply chain, increases in cost in the Company's supply base, rising economic inflation rates, labour shortages and a general market downturn may result in reductions or early pre-payments of existing financings if covenants are unable to be met (refer to "Risks").

Contractual Obligations Due by Period

The following charts summarize the Company's contractual obligations, including payments due for each of the next five years and thereafter.

	Oct 1-Dec 31 2022	Jan 1-Dec 31 2023	Jan 1-Dec 31 2024	Jan 1-Dec 31 2025	Jan 1-Dec 31 2026	Thereafter	Total
Revolving loan facility	$ -	$ -	$ -	$ -	$ 6,290,970	$ 126,650,000	$ 132,940,970 [(1)]
Other long-term debt	19,830	42,682	28,334	12,932	5,231	-	109,009
Notes payable	657,733	2,951,546	1,485,965	1,334,243	1,131,257	5,017,161	12,577,905
Lease liabilities	409,921	1,530,318	1,078,139	783,612	671,474	2,288,992	6,762,456
Senior Unsecured Debentures	-	-	-	60,232,535	-	-	60,232,535
Construction commitments	5,610,481	3,215,561	12,438	-	-	-	8,838,480
Total	$ 6,697,965	$ 7,740,107	$ 2,604,876	$ 62,363,322	$ 8,098,932	$ 133,956,153	$ 221,461,355

[(1)] Excludes letters of credit issued of $552,465.

Commitments

As at September 30, 2022, the Company had 13 ongoing commitments (the "Commitments") with an aggregate balance of $8,838,480, for the construction of funeral homes, mausoleums, and cemetery development in the United States. To date, the Company spent $6,045,800 on the Commitments in progress.

Included in the commitments is an agreement for the purchase of four industrial units of property in Mississauga, Ontario, Canada (the "**Haines Properties**"). A purchase and sale agreement for the Haines Properties was entered into by a limited partnership formed by a subsidiary of the Company as general partner, and a trustee on behalf of certain Care and Maintenance Trust Funds, as limited partners (the "**Haines LP**") for an aggregate purchase price of C$3,331,885. The Haines Properties are currently leased by one of the Company's funeral homes from an arm's length third party. On closing of the transaction, which is expected to occur during the first quarter of 2023, the Haines Properties will be leased by the Haines LP to the funeral home on substantially the same terms as the existing lease, with necessary adjustments to rent to align with market terms.

Land related to cemetery interment rights that have been sold do not retain any value. All interment or scattering rights related to cemetery lots, including any appreciation or depreciation in value, are held by the purchaser(s). When cemetery interment rights are sold to a customer, the corresponding expense is included in the "Cost of sales" line item on the consolidated statements of earnings and the sold property is removed from inventory on the statement of financial position.

Dividends and Free Cash Flow

The Company uses Free Cash Flow as a measure of, among other things, the sustainability of its dividend. The table below summarizes the calculation of Free Cash Flow for the three and nine month periods ended September 30, 2022, and 2021 compared to its dividend payout:

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Cash provided by (used in) operating activities	$ 16,843,934	$ 16,076,572	$ 46,042,101	$ 43,472,580
Maintenance capital expenditures	(2,918,908)	(1,947,538)	(6,598,889)	(4,888,849)
Inventory additions	(484,811)	(864,707)	(1,775,986)	(2,557,357)
Lease payments	(290,483)	(555,913)	(1,174,167)	(1,418,300)
Free cash flow from operations	$ 13,149,732	$ 12,708,414	$ 36,493,059	$ 34,608,074
Free cash flow from operations per common share-diluted	$ 0.379	$ 0.404	$ 1.049	$ 1.133
Dividends per common share	$ 0.090	$ 0.090	$ 0.270	$ 0.270
Payout ratio	24%	22%	26%	24%
Weighted average shares outstanding-diluted	34,706,835	31,436,261	34,801,694	30,555,003

As calculated above, the Company's Free Cash Flow from operations was $13,149,732 for the three month period ended September 30, 2022, compared to $12,708,414 for the same period in 2021. This represents Free Cash Flow per fully diluted Common Share of $0.379 and $0.404 for the three month periods ended September 30, 2022, and 2021, respectively. The Company's Free Cash Flow from operations was $36,493,059 for the nine month period ended September 30, 2022, compared to $34,608,074 for the same period in 2021. This represents Free Cash Flow per fully diluted Common Share of $1.049 and $1.133 for the nine month periods ended September 30, 2022, and 2021, respectively.

The Company paid dividends of $0.090 per Common Share for the three month periods ended September 30, 2022, and 2021. The dividends paid represent 24% and 22% of Free Cash Flow for the three month periods ended September 30, 2022, and 2021, respectively. The Company paid dividends of $0.270 per Common Share for the nine month periods ended September 30, 2022, and 2021. The dividends paid represent 26% and 24% of Free Cash Flow for the nine month periods ended September 30, 2022, and 2021, respectively.

On December 20, 2021, the Company announced that it was moving from a monthly to a quarterly dividend payment schedule, with dividends to be declared to Shareholders of record on the last business day of each quarter, with dividends expected to be paid in April, July, October, and January of each calendar year, subject to approval of the directors of the Company. The dividend rate remains the same at $0.090 per Common Share per quarter.

For the three month period ended September 30, 2022, and 2021, the Company declared dividends to Shareholders totaling C$0.114 per share. The following table sets forth the per Common Share amounts of quarterly dividends declared and paid by the Company since January 1, 2022.

Month	Dividend Record Date	Payment Date	Per Share
March, 2022	March 31, 2022	April 15, 2022	C$0.114
June, 2022	June 30, 2022	July 15, 2022	C$0.114
September, 2022	September 30, 2022	October 17, 2022	C$0.114

Care and Maintenance Trust Funds

Provincial and state regulations allow for periodic withdrawals of income from the Care and Maintenance Trust Funds and the Company generally requests that the trustee distribute allowable income monthly. The trustees of the Care and Maintenance Trust Funds provide a monthly statement that includes an accounting of interest, dividends, realized capital gains/losses, and unrealized capital gains. The Company accrues income at the end of a reporting period when the income will not be distributed until the beginning of the next period to the extent it has expenses, as defined by applicable state and provincial regulations, in excess of the income generated by the trust.

Annually, in accordance with certain provincial and state regulations, the Company provides, to the respective governing bodies, a reconciliation of income withdrawn relative to allowable costs.

The Company defers any income from the Care and Maintenance Trust Funds to the extent it does not incur any allowable expenses.

The Company contributes a portion of all lot, crypt and niche sales to the Care and Maintenance Trust Funds in accordance with regulatory requirements. During the nine month period ended September 30, 2022, the Company contributed $7,063,513 to the Care and Maintenance Trust Funds, compared to $6,578,444 during the same period in 2021. The Care and Maintenance Trust Fund assets are included in the Consolidated Statement of Financial Position at market value. As of September 30, 2022, the aggregate balance of the Care and Maintenance Trust Funds was $200,360,769 compared to $229,963,783 as at December 31, 2021. The decrease is primarily a result of investment performance and timing of capital gains and other distributions, offset by contributions to the Care and Maintenance Trust Funds during the current period. The Care and Maintenance Trust Fund assets are offset by a corresponding liability for Care and Maintenance Trusts' Corpus.

As of September 30, 2022, the Company had net unrealized loss in the Care and Maintenance Trust Funds of $13,928,479, which represents a 6.5% net unrealized loss to the original cost basis.

Pre-Need Merchandise and Service Trust Funds

The Company maintains separate trust funds for the deposit of cash received for the purchase of pre-need merchandise and services to be delivered at some future date (the "**Pre-Need Merchandise and Service Trust Funds**"). The trustees of the Pre-Need Merchandise and Service Trust Funds provide a monthly statement that includes an accounting of interest, dividends, realized capital gains/losses, and unrealized capital gains. The interest, dividends, and realized capital gains/losses are then allocated, on a pro-rata basis, over the principal amount held in trust for each contract and for each line item of the contract that is not yet delivered. When the contract becomes at-need and the performance obligations are met, the principal and accumulated earnings relating to the delivered items on the contract are withdrawn from the trust fund and recognized as income in accordance with relevant revenue recognition standards. During the nine month period ended September 30, 2022, the Company contributed $13,352,401 to the Pre-Need Merchandise and Service Trust Funds compared to $13,526,841 during the same period in 2021. The Pre-Need Merchandise and Service Trust Fund assets are included in the Consolidated Statement of Financial Position at market value. The assets within the Pre-Need Merchandise and Service Trust Funds had a market value of $218,734,098 on September 30, 2022, compared to $259,728,034 as at December 31, 2021. The decrease in fair value since December 31, 2021 is a result of investment performance during the current period. The Pre-Need Merchandise and Service Trust Funds are offset by a corresponding liability for Deferred Pre-Need Receipts held in trust.

As of September 30, 2022, the Company had net unrealized losses in the Pre-Need Merchandise and Service Trust Funds of $35,031,794, which represents a 13.8% net unrealized loss to the original cost basis.

Prearranged Funeral Insurance Contracts

In addition to trust funded prearranged funeral services contracts, the Company also has prearranged funeral services contracts that are funded by insurance. As at September 30, 2022, the current face amounts of pre-funded policies totaled $492,894,950 ($437,843,714 as at December 31, 2021). Generally, families who have prearranged with the Company will receive a refund to the extent that the face amount of the policy exceeds the current retail value of the merchandise and services to be provided.

The insurance funded contracts are not included in the consolidated financial statements as the Company is not the beneficiary of the policy. Amounts funded through insurance are available to the Company when the funeral services are performed.

Finance Assurances

The Company has entered into arrangements with certain surety companies in the United States, whereby such companies agree to issue surety bonds on the Company's behalf as financial assurance. When selling pre-need contracts, the Company may purchase surety bonds in accordance with applicable laws. The surety bonds are used to support the Company's pre-need cemetery merchandise sales activities, in lieu of trusting certain amounts of funds received from the customer. The amount of the bond posted is generally determined by the total amount of a pre-need contract that would otherwise be required to be put in trust, in accordance with applicable laws. The obligations underlying these surety bonds are recorded as deferred revenue. As at September 30, 2022, and December 31, 2021, the Company had surety bonds with an aggregate face value of $30,857,141 and $28,215,375, respectively.

Unaudited Quarterly Information

	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Net revenue	$80,871,605	$75,921,525	$83,173,297	$78,949,931
Operating expenses	$58,414,364	$55,398,697	$56,094,601	$53,243,926
Earnings from operations	$9,440,002	$7,799,638	$13,400,379	$11,914,632
Net earnings, PLC shareholders	$5,323,908	$5,807,886	$8,702,018	$7,113,666
Adjusted net earnings, PLC shareholders (1)	$7,764,988	$6,624,310	$11,176,862	$10,150,171
Adjusted EBITDA, PLC shareholders (2)	$18,155,459	$15,605,747	$21,415,073	$19,954,978
Adjusted EBITDA margin (2)	22.4%	20.6%	25.7%	25.3%
Net earnings per share - basic, PLC shareholders (3)	$0.155	$0.170	$0.255	$0.209
Net earnings per share - diluted, PLC shareholders (3)	$0.153	$0.167	$0.250	$0.206
Adjusted Net Earnings per share - basic, PLC shareholders (1), (3)	$0.226	$0.194	$0.327	$0.298
Adjusted Net Earnings per share - diluted, PLC shareholders (1), (3)	$0.224	$0.190	$0.321	$0.294
Adjusted EBITDA per share - basic, PLC shareholders (2), (3)	$0.529	$0.456	$0.627	$0.585
Adjusted EBITDA per share - diluted, PLC shareholders (2), (3)	$0.523	$0.448	$0.615	$0.579

	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Net revenue	$73,038,015	$72,028,202	$70,756,161	$69,057,488
Operating expenses	$49,797,636	$49,912,740	$47,598,008	$47,663,075
Earnings from operations	$11,661,356	$10,553,673	$11,905,756	$10,138,324
Net earnings, PLC shareholders	$7,186,518	$5,807,870	$7,704,812	$4,782,068
Adjusted net earnings, PLC shareholders (1)	$9,585,999	$8,782,108	$9,514,232	$8,039,335
Adjusted EBITDA, PLC shareholders (2)	$18,654,958	$18,524,474	$19,150,167	$18,436,803
Adjusted EBITDA margin (2)	25.5%	25.8%	27.2%	27.0%
Net earnings per share - basic, PLC shareholders (3)	$0.231	$0.194	$0.258	$0.160
Net earnings per share - diluted, PLC shareholders (3)	$0.229	$0.192	$0.256	$0.159
Adjusted Net Earnings per share - basic, PLC shareholders (1), (3)	$0.308	$0.293	$0.319	$0.269
Adjusted Net Earnings per share - diluted, PLC shareholders (1), (3)	$0.305	$0.291	$0.316	$0.268
Adjusted EBITDA per share - basic, PLC shareholders (2), (3)	$0.600	$0.619	$0.642	$0.617
Adjusted EBITDA per share - diluted, PLC shareholders (2), (3)	$0.593	$0.613	$0.636	$0.615

(1) Adjusted Net Earnings is non-IFRS measure. See "Discussion of Operating Results – Adjusted Net Earnings" for reconciliation of the Company's net earnings to Adjusted Net Earnings.
(2) Adjusted EBITDA is non-IFRS measure. See "Discussion of Operating Results – Adjusted EBITDA" for reconciliation of the Company's Adjusted EBITDA.
(3) The sum of the quarterly amounts per share, basic and diluted, may not equal the period amount due to the rounding and use of weighted average shares outstanding.

The changes in the Company's quarter over quarter results are primarily the result of growth in revenue through acquisitions as well as organic growth. Additionally, the Company's business can be affected by seasonal fluctuations in the death rate. Generally, the number of deaths is higher during the winter months as influenza and pneumonia are generally higher during this period than other periods of the year.

Related Party Transactions

The Company's related parties include the following persons and entities: (i) associates, or entities which are controlled or significantly influenced by the Company; and (ii) key management personnel, which are comprised of the directors and officers of the Company.

Key management compensation

Key management includes the members of the board of directors of the Company, the Chief Executive Officer, the Chief Financial Officer and the President and Chief Operating Officer. The compensation paid or payable to key management is shown below:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2022	2021	2022	2021
Directors' fees and management compensation	$ 1,310,187	$ 1,045,497	$ 4,631,269	$ 3,919,413

Disclosure Controls and Procedures

National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filing* ("**NI 52-109**") requires public companies in Canada to submit annual and interim certificates relating to the design and effectiveness of the disclosure controls and procedures that are in use at the company. Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Subject to the limitations set out below, the Company's management, under the supervision of the Chief Executive Officer and Chief Financial Officer, has designed and maintained a set of disclosure controls and procedures to ensure that information required to be disclosed by the Company in its annual filing, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management conducted its evaluation based on the framework set forth in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation under this framework, management concluded that the Company's internal control over financial reporting was effective as of September 30, 2022.

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be designed effectively can provide only reasonable assurance with respect to financial reporting and financial statement preparation.

Limitation on Scope of Design

The Chief Executive Officer and Chief Financial Officer have limited the scope of design of disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of Ingram acquired in the fourth quarter of 2021, Chancellor and Hudson in the second quarter of 2022, and Farris and Shackelford in the third quarter of 2022.

This scope limitation is in accordance with section 3.3(1)(b) of NI 52-109, which allows an issuer to limit the design of disclosure controls and procedures and internal control over financial reporting for a business that the issuer acquired not more than 365 days before the last day of the period covered by this MD&A.

The following is a summary of certain financial information as at September 30, 2022, related to the acquisitions of Ingram acquired in the fourth quarter of 2021, Chancellor and Hudson in the second quarter of 2022, and Farris and Shackelford in the third quarter of 2022:

	September 30, 2022 Ingram	September 30, 2022 Chancellor	September 30, 2022 Hudson
Net revenue	$ 3,678,058	$ 1,384,978	$ 551,480
Net earnings	$ 1,037,591	$ 384,130	$ 147,650
Current assets	$ 257,317	$ 1,247,610	$ -
Non-current assets	$ 3,925,776	$ 4,355,430	$ 1,733,921
Current liabilities	$ 361,167	$ 292,466	$ -
Non-current liabilities	$ 1,068,464	$ 427,915	$ 87,088

	September 30, 2022 Farris	September 30, 2022 Shackelford
Net revenue	$ 448,954	$ 528,251
Net earnings	$ 98,558	$ 105,170
Current assets	$ 71,062	$ 998,327
Non-current assets	$ 9,795,769	$ 17,627,462
Current liabilities	$ 127,299	$ -
Non-current liabilities	$ 12,341,730	$ 2,291,463

Changes in Internal Controls over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting during the 2022 fiscal year that have affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Shares Outstanding

The authorized share capital of the Company consists of an unlimited number of Common Shares. As at September 30, 2022, there were 33,874,586 Common Shares issued and outstanding, net of Common Shares held in trust, representing a net decrease of 55,623 Common Shares since December 31, 2021. The decrease in the number of Common Shares is due to the 200,985 Common Shares repurchased by the Company under the NCIB and currently held in trust for the settlement of awards under the Company's EIP, offset by the issuance of Common Shares pursuant to the Company's DRIP and EIP. In addition, the Company has 76,623 Common Shares reserved for issuance under the EIP, and 32,392 Common Shares reserved for issuance under the DRIP. As at September 30, 2022, 1,885,859 DSUs, RSUs, PSUs and Options were outstanding. As at November 9, 2022, there were 34,123,662 Common Shares issued and outstanding.

Shares purchased under NCIB and held in trust for future settlement of share-based incentive compensation

On August 11, 2022, the Company received approval from the TSX to implement an NCIB. Under the NCIB, the Company may, during the twelve-month period commencing August 17, 2022, and ending August 16, ,2023, purchase up to a maximum of 3,385,439 Common Shares, representing 10% of its public float of issued and outstanding Common Shares as at August 8, 2022. All Common Shares purchased by the Company under the NCIB will be cancelled or transferred to and held by a trust established by PLC (the "**Trust**") for the settlement of awards issued under the EIP. Purchases made by the Company will be made on the open market through the facilities of the TSX and or alternative Canadian trading systems, in accordance with applicable TSX and other applicable trading system rules. The actual number of Common Shares purchased under the NCIB and the timing of any such purchases will be at PLC's discretion. Daily purchases will be limited to 17,507 Common Shares, other than block purchase exceptions.

Additionally, PLC entered into an automatic securities purchase plan ("**ASPP**") with its designated broker in connection with the NCIB to facilitate the purchase of Common Shares during times when PLC would ordinarily not be permitted to purchase Common Shares due to regulatory restrictions or self-imposed black-out periods. Before entering a black-out period, PLC may, but is not required to, instruct the broker to make purchases under the NCIB based on parameters set by PLC in accordance with the ASPP, TSX rules and applicable securities laws. Since its inception, PLC has not directed its broker to make any automatic purchases of Common Shares under the ASPP.

PLC established the Trust to hold Common Shares purchased under the NCIB for the purpose of settling awards (other than Options granted to Canadian Taxpayers) under the EIP. In conjunction with the EIP, the Company may make contributions to the Trust, which contributions will be used by the Trust to acquire Common Shares for the benefit of the participants under EIP.

The Company established the Trust to facilitate the purchase of Common Shares for future settlement of RSUs and PSUs upon vesting. The Trust is considered a structured entity and is consolidated in the Company's financial statements with the cost of the acquired shares recorded at book value as a reduction to share capital. Any premium on the acquisition of the Common Shares above book value is applied to retained earnings until the Common Shares are issued to settle RSU and PSU awards.

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Common shares repurchased under the NCIB and held in trust (number of shares)	200,985	200,985
Cash consideration paid	$3,705,596	$3,705,596

During the nine months ended September 30, 2022, the Company purchased 200,985 Common Shares for aggregate consideration of $3,705,596 (C$4,996,964).

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Common shares repurchased under the NCIB and held in trust (number of shares)	200,985	200,985
Cash consideration paid	$ 3,705,596	$ 3,705,596
Premium charged to retained earnings	687,498	687,498
Reduction in common share capital	3,018,098	3,018,098

Risks

A detailed set of risks applicable to the Company are included in the Company's AIF for the year ended December 31, 2021 and is available on SEDAR at www.sedar.com and on the Company's website at www.parklawncorp.com.

Additional Information

Additional information relating to the Company, including the Company's AIF, is available on SEDAR at www.sedar.com and on the Company's website at www.parklawncorp.com.