



*Condensed Interim Consolidated  
Financial Statements*

2023

As at and for the nine months ending  
September 30, 2023 and 2022 | Unaudited



PARK LAWN  
CORPORATION

2023-09-30

**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, 2023 AND DECEMBER 31, 2022**  
**(U.S. dollars unless otherwise stated)**

	September 30, 2023	December 31, 2022
		<i>(Restated, Measurement Period Adjustment - see Note 5)</i>
<b>Assets</b>		
Current assets		
Cash	\$ 27,559,338	\$ 30,277,742
Accounts receivable (Note 3)	16,143,756	19,856,421
Pre-need receivables, current portion (Note 3)	17,903,477	28,192,812
Inventories, current portion (Note 4)	9,518,465	11,013,722
Prepaid expenses and other assets	6,788,384	3,654,259
Assets held for sale (Note 26)	295,123,078	-
	<u>373,036,498</u>	<u>92,994,956</u>
Non-current assets		
Pre-need receivables, net of current portion (Note 3)	42,512,872	71,263,116
Inventories, net of current portion (Note 4)	49,005,350	69,492,768
Land held for development (Note 6)	27,177,819	26,881,392
Property and equipment (Note 7)	273,146,187	271,765,074
Care and maintenance trust fund investments (Note 8)	166,817,668	209,459,602
Pre-need merchandise and service trust fund investments (Note 9)	177,984,621	239,292,825
Deferred tax assets	1,616,922	1,788,714
Goodwill and intangibles (Note 5 and 11)	422,370,113	458,506,634
Deferred commissions	12,910,950	30,881,614
Interest rate swaps (Note 23)	1,003,687	-
Prepaid expenses and other assets	162,630	4,981,632
	<u>1,174,708,819</u>	<u>1,384,313,370</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 1,547,745,317</b></u>	<u><b>\$ 1,477,308,326</b></u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 32,512,239	\$ 46,737,441
Dividends payable	2,851,757	2,873,446
Current portion of long-term debt (Note 12)	31,409	43,622
Current portion of notes payable (Note 13)	5,370,282	14,213,582
Current portion of lease liabilities	1,656,030	1,501,111
Liabilities directly associated with assets held for sale (Note 26)	208,557,231	-
	<u>250,978,948</u>	<u>65,369,202</u>
Non-current liabilities		
Long-term debt, net of current portion (Note 12)	195,281,737	150,122,645
Notes payable, net of current portion (Note 13)	11,312,044	10,821,758
Lease liabilities, net of current portion	12,688,124	4,262,169
Senior Unsecured Debentures (Note 14)	61,965,818	61,650,585
Deferred tax liabilities	17,991,864	17,094,252
Deferred revenue (Note 15)	94,772,427	167,639,298
Care and maintenance trusts' corpus (Note 8)	166,817,668	209,459,602
Deferred pre-need receipts held in trust (Note 9)	177,984,621	239,292,825
	<u>738,814,303</u>	<u>860,343,134</u>
Shareholders' Equity		
Share capital (Note 17)	511,847,295	510,337,446
Contributed surplus	13,386,257	11,354,370
Accumulated other comprehensive loss	(6,972,930)	(7,026,942)
Retained earnings	39,691,444	36,931,116
	<u>557,952,066</u>	<u>551,595,990</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><b>\$ 1,547,745,317</b></u>	<u><b>\$ 1,477,308,326</b></u>

**Commitments and Contingencies (Note 24)**

**Subsequent Events (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, 2023 AND 2022**  
**(U.S. dollars unless otherwise stated)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Revenue</b>				
Sales	\$ 83,863,388	\$ 76,396,114	\$ 248,296,088	\$ 228,949,131
Income from care and maintenance funds (Note 8)	2,300,376	2,497,355	7,547,882	6,990,454
Interest and other income	1,340,337	1,978,136	3,671,190	4,026,842
	<u>87,504,101</u>	<u>80,871,605</u>	<u>259,515,160</u>	<u>239,966,427</u>
<b>Operating expenses</b>				
Cost of sales (Note 18)	15,480,317	13,122,173	44,780,820	39,760,745
General and administrative	35,707,300	33,248,721	106,687,413	98,248,370
Maintenance	7,501,707	7,176,433	20,651,668	20,600,171
Advertising and selling	7,723,449	7,982,200	22,156,601	22,468,176
	<u>66,412,773</u>	<u>61,529,527</u>	<u>194,276,502</u>	<u>181,077,462</u>
<b>Gross profit</b>	<u>21,091,328</u>	<u>19,342,078</u>	<u>65,238,658</u>	<u>58,888,965</u>
<b>Other expenses</b>				
Corporate general and administrative	8,610,950	6,376,207	23,434,280	18,054,881
Amortization of intangibles (Note 11)	413,184	162,662	1,094,444	864,235
Finance costs (Note 19)	4,863,726	2,209,301	12,674,954	5,490,681
Fair value adjustment on interest rate swaps (Note 23)	(540,024)	-	(1,003,687)	-
Share-based incentive compensation (Note 20 and 22)	609,301	1,153,906	3,779,139	3,839,149
Acquisition and integration costs (Note 5)	2,430,578	1,834,889	5,972,132	4,591,205
Other (income) expenses (Note 21)	99,566	89,080	3,099,917	(1,438,421)
	<u>16,487,281</u>	<u>11,826,045</u>	<u>49,051,179</u>	<u>31,401,730</u>
<b>Earnings before income taxes</b>	<u>4,604,047</u>	<u>7,516,033</u>	<u>16,187,479</u>	<u>27,487,235</u>
Income tax expense	1,307,555	2,192,125	4,539,260	7,653,423
<b>Net earnings for the period</b>	<u>\$ 3,296,492</u>	<u>\$ 5,323,908</u>	<u>\$ 11,648,219</u>	<u>\$ 19,833,812</u>
Net earnings per share				
- basic	<u>\$ 0.096</u>	<u>\$ 0.155</u>	<u>\$ 0.339</u>	<u>\$ 0.579</u>
- diluted	<u>\$ 0.094</u>	<u>\$ 0.153</u>	<u>\$ 0.335</u>	<u>\$ 0.570</u>
Weighted average number of common shares, net of shares held in trust (Note 20):				
- basic	<u>34,464,063</u>	<u>34,315,507</u>	<u>34,334,784</u>	<u>34,268,572</u>
- diluted	<u>35,200,918</u>	<u>34,706,835</u>	<u>34,734,518</u>	<u>34,801,694</u>

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, 2023 AND 2022**  
**(U.S. dollars unless otherwise stated)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Net earnings for the period</b>	\$ 3,296,492	\$ 5,323,908	\$ 11,648,219	\$ 19,833,812
Item of other comprehensive income to be subsequently reclassified to net earnings				
Foreign currency translation of foreign operations	60,790	(149,651)	54,012	(199,643)
<b>Comprehensive income</b>	<u>\$ 3,357,282</u>	<u>\$ 5,174,257</u>	<u>\$ 11,702,231</u>	<u>\$ 19,634,169</u>

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**PARK LAWN CORPORATION**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**  
**(U.S. dollars unless otherwise stated)**

	# of Common Shares Issued and Outstanding	Share Capital	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income/Loss	Shareholders' Equity
Balance at January 1, 2022	33,930,209	\$ 509,011,563	\$ 11,939,676	\$ 24,481,044	\$ (5,398,833)	\$ 540,033,450
Dividends declared (Note 16)	-	-	-	(9,068,724)	-	(9,068,724)
Equity incentive plan (Note 20)	-	-	3,778,507	-	-	3,778,507
Shares issued:						
Dividend reinvestment plan (Note 17 i)	63,515	1,655,602	-	-	-	1,655,602
Exercise of Equity incentive plan (Note 20)	81,847	1,644,856	(1,644,856)	-	-	-
Acquisition of non-controlling interest (Note 17 ii)	-	(270,556)	-	-	-	(270,556)
Shares purchased under normal course issuer bid and held in trust for future settlement of share based incentive compensation (Note 17 iii)	(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	<u>33,874,586</u>	<u>\$ 509,023,367</u>	<u>\$ 14,073,327</u>	<u>\$ 34,558,634</u>	<u>\$ (5,598,476)</u>	<u>\$ 552,056,852</u>
Balance at January 1, 2023	<u>33,939,153</u>	<u>\$ 510,337,446</u>	<u>\$ 11,354,370</u>	<u>\$ 36,931,116</u>	<u>\$ (7,026,942)</u>	<u>\$ 551,595,990</u>
Dividends declared (Note 16)	-	-	-	(8,616,071)	-	(8,616,071)
Equity incentive plan (Note 20)	-	-	3,744,152	-	-	3,744,152
Shares issued:						
Dividend reinvestment plan (Note 17 i)	115,595	2,233,262	-	-	-	2,233,262
Exercise of Equity incentive plan (Note 20)	89,310	1,972,155	(1,712,265)	-	-	259,890
Shares purchased under normal course issuer bid and held in trust for future settlement of share based incentive compensation (Note 17 iii)	(178,799)	(2,695,568)	-	(271,820)	-	(2,967,388)
Foreign currency translation of foreign operations	-	-	-	-	54,012	54,012
Net earnings for the period	-	-	-	11,648,219	-	11,648,219
Balance at September 30, 2023	<u>33,965,259</u>	<u>\$ 511,847,295</u>	<u>\$ 13,386,257</u>	<u>\$ 39,691,444</u>	<u>\$ (6,972,930)</u>	<u>\$ 557,952,066</u>

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, 2023 AND 2022**  
**(U.S. dollars unless otherwise stated)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Cash provided by (used in):</b>				
<b>Operating activities</b>				
Net earnings for the period	\$ 3,296,492	\$ 5,323,908	\$ 11,648,219	\$ 19,833,812
Adjustments to reconcile net income to cash provided by (used in) operating activities:				
Acquisition and integration costs (Note 5)	2,430,578	1,834,889	5,972,132	4,591,205
Deferred tax expense	766,075	(136,610)	1,066,404	142,688
Depreciation of property and equipment, and amortization of intangibles (Note 7 and 11)	4,344,419	3,532,315	12,089,719	9,960,942
Cost of property sales (Note 18)	2,389,353	1,819,936	5,372,433	5,245,488
Deferred financing costs (Note 12 and 19)	192,893	118,266	519,603	334,386
Accretion expense on Senior Unsecured Debentures (Note 14 and 19)	161,482	154,913	469,838	459,926
Interest on lease liabilities (see Note 19)	212,490	78,898	506,978	241,981
Share based incentive compensation (Note 20)	600,881	1,134,209	3,744,152	3,778,507
Proceeds from exercised stock options	384	-	259,890	-
(Gain) loss on disposal of property and equipment (Note 7 and 21)	(9,633)	(14,139)	(54,762)	(1,852,156)
Loss on the sale of non-strategic business (Note 7 and 21)	-	-	2,579,491	-
Impairment of other assets (Note 21)	-	-	-	153,972
Fair value adjustments on interest rate swaps (Note 23)	(540,024)	-	(1,003,687)	-
Changes in working capital that provided (required) cash:				
Accounts receivable (Note 3)	1,519,400	(642,755)	2,549,208	82,030
Net receipts on pre-need activity	(4,063,964)	1,066,950	6,530,183	1,714,134
Merchandise inventories	183,023	(241,096)	188,388	(143,571)
Prepaid expenses and other current assets	4,923,846	1,212,892	4,075,187	(301,616)
Accounts payable and accrued liabilities	740,331	1,601,358	(6,829,676)	1,800,373
<b>Cash provided by (used in) operating activities</b>	<b>17,148,027</b>	<b>16,843,934</b>	<b>49,683,700</b>	<b>46,042,101</b>
<b>Investing activities</b>				
Acquisition and integration costs (Note 5)	(2,430,578)	(1,834,889)	(5,972,132)	(4,591,205)
Net cash on acquisitions (Note 5)	(13,963,308)	(34,576,537)	(48,713,308)	(49,376,537)
Acquisition of non-controlling interest (Note 17)	-	-	-	(270,556)
Additions to cemetery property	(1,759,155)	(1,116,165)	(4,475,219)	(3,046,644)
Acquisition of property and equipment (Note 7)	(2,959,902)	(4,558,619)	(9,727,062)	(13,212,279)
Additions of land held for development	(58,022)	-	(1,211,154)	-
Proceeds on disposal of property and equipment (Note 7)	-	-	902,380	2,624,814
Additions to intangible assets (Note 11)	(305,796)	(188,986)	(688,035)	(605,873)
Cash interest from other assets	54,851	120,264	228,614	181,210
<b>Cash provided by (used in) investing activities</b>	<b>(21,421,912)</b>	<b>(42,154,932)</b>	<b>(69,655,917)</b>	<b>(68,297,070)</b>
<b>Financing activities</b>				
Proceeds from issuance of long-term debt (Note 12)	15,238,590	42,587,017	60,138,590	46,439,650
Repayment of long-term debt (Note 12)	(5,658,477)	(59,261)	(15,114,777)	(146,546)
Repayment of note payable (Note 13)	(554,668)	(643,423)	(13,458,596)	(2,751,638)
Repayment of lease liabilities	(686,808)	(290,483)	(1,734,547)	(1,174,167)
Dividends and distributions paid (Note 16)	(2,147,741)	(2,203,557)	(6,397,498)	(5,390,152)
Financing costs	-	(247,389)	(214,878)	(251,034)
Common share purchased and held in trust (Note 17)	(2,967,388)	(3,707,832)	(2,967,388)	(3,707,832)
<b>Cash provided by (used in) financing activities</b>	<b>3,223,507</b>	<b>35,435,073</b>	<b>20,250,906</b>	<b>33,018,281</b>
<b>Translation adjustment on cash</b>	<b>282,130</b>	<b>(435,032)</b>	<b>2,907</b>	<b>(480,242)</b>
<b>Net increase (decrease) in cash</b>	<b>(768,247)</b>	<b>9,689,043</b>	<b>281,596</b>	<b>10,283,071</b>
<b>Cash, beginning of period</b>	<b>31,327,585</b>	<b>21,379,826</b>	<b>30,277,742</b>	<b>20,785,798</b>
<b>Cash, end for period before reclassified to assets held for sale</b>	<b>\$ 30,559,338</b>	<b>\$ 31,068,869</b>	<b>\$ 30,559,338</b>	<b>\$ 31,068,869</b>
<b>Cash reclassified to assets held for sale</b>	<b>(3,000,000)</b>	<b>-</b>	<b>(3,000,000)</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 27,559,338</b>	<b>\$ -</b>	<b>\$ 27,559,338</b>	<b>\$ -</b>
<b>Supplemental disclosures:</b>				
Income taxes paid	\$ 1,702,420	\$ 1,351,428	\$ 5,948,939	\$ 5,536,063
Interest expenses paid	\$ 3,632,878	\$ 986,838	\$ 10,572,734	\$ 3,846,933

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**  
**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**  
**(U.S. dollars unless otherwise stated)**

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## **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 the 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, 2022, 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, 2022.

These unaudited condensed interim consolidated financial statements were approved by the board of directors of the Company (the “Board of Directors”) on November 9, 2023.

### **b. Finance costs**

Finance costs consist of interest expense on loans and borrowings, amortization of deferred financing costs and payments on interest rate swap arrangements.

### **c. Fair value measurement**

The Company measures financial instruments, convertible debentures and hedge arrangements at fair value at each statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.



**PARK LAWN CORPORATION**  
**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**  
**(U.S. dollars unless otherwise stated)**

**3. ACCOUNTS RECEIVABLE AND PRE-NEED RECEIVABLES**

	September 30, 2023	December 31, 2022
Accounts receivable	\$ 17,299,213	\$ 19,856,421
Reclassified to assets held for sale	(1,155,457)	-
Accounts receivable	<u>\$ 16,143,756</u>	<u>\$ 19,856,421</u>
Pre-need receivables, current portion	\$ 28,210,900	\$ 28,192,812
Reclassified to assets held for sale	(10,307,423)	-
Pre-need receivables, current portion	<u>\$ 17,903,477</u>	<u>\$ 28,192,812</u>
Pre-need receivables, net of current portion	\$ 68,474,367	\$ 71,263,116
Reclassified to assets held for sale	(25,961,495)	-
Pre-need receivables, net of current portion	<u>\$ 42,512,872</u>	<u>\$ 71,263,116</u>

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

	September 30, 2023	December 31, 2022
Beginning of the period/year	\$ 5,961,068	\$ 3,458,600
Additions to allowances	3,317,000	2,823,751
Cancellations	(546,146)	(300,414)
Foreign currency translation	(2,021)	(20,869)
End of the period/year	8,729,901	5,961,068
Reclassified to assets held for sale	(2,290,718)	-
End of the period/year	<u>\$ 6,439,183</u>	<u>\$ 5,961,068</u>

Allowance for doubtful accounts is included in accounts receivable.

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

	September 30, 2023	December 31, 2022
Beginning of the period/year	\$ 9,202,423	\$ 8,666,042
Additions to allowances	1,386,685	3,848,169
Cancellations	(851,803)	(3,311,788)
End of the period/year	9,737,305	9,202,423
Reclassified to assets held for sale	(5,513,278)	-
End of the period/year	<u>\$ 4,224,027</u>	<u>\$ 9,202,423</u>

Allowance for sales returns is included in pre-need receivables.

**PARK LAWN CORPORATION**  
**NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**  
**(U.S. dollars unless otherwise stated)**

**4. INVENTORIES**

	September 30, 2023	December 31, 2022
Merchandise inventories	\$ 5,232,092	\$ 4,772,801
Cemetery lots	45,340,645	40,501,245
Crypts and niches	21,170,832	30,298,259
Construction in progress	7,711,511	4,934,185
<b>Total</b>	<b>\$ 79,455,080</b>	<b>\$ 80,506,490</b>
Reclassified to assets held for sale	(20,931,265)	-
<b>Total</b>	<b>\$ 58,523,815</b>	<b>\$ 80,506,490</b>
Current portion	\$ 11,203,931	\$ 11,013,722
Reclassified to assets held for sale	(1,685,466)	-
Current portion	\$ 9,518,465	\$ 11,013,722
Non-current portion	\$ 68,251,149	\$ 69,492,768
Reclassified to assets held for sale	(19,245,799)	-
Non-current portion	\$ 49,005,350	\$ 69,492,768

There were no inventory write-downs in either period.

**5. BUSINESS COMBINATIONS**

*Acquisitions completed in fiscal 2023*

	Preliminary Q1 Acquisitions	Preliminary Q2 Acquisitions	Preliminary Q3 Acquisitions	Total
<b>Assets acquired:</b>				
Inventories	\$ 195,273	\$ 938,603	\$ 106,458	\$ 1,240,334
Property and equipment	5,682,374	8,024,727	13,268,833	26,975,934
Care and maintenance trust fund investments	-	216,027	-	216,027
Pre-need merchandise and service trust fund investments	1,429,346	-	5,249,256	6,678,602
Goodwill	7,332,897	9,297,515	6,281,525	22,911,937
Intangibles	1,616,000	2,828,000	3,556,512	8,000,512
<b>Total assets</b>	<b>\$ 16,255,890</b>	<b>\$ 21,304,872</b>	<b>\$ 28,462,584</b>	<b>\$ 66,023,346</b>
<b>Liabilities assumed:</b>				
Lease liabilities	-	-	8,724,438	\$ 8,724,438
Care and maintenance trusts' corpus	-	216,027	-	216,027
Deferred pre-need receipts held in trust	1,429,346	-	5,249,256	6,678,602
	1,429,346	216,027	13,973,694	15,619,067
<b>Fair value of consideration transferred:</b>				
Cash consideration	14,250,000	20,500,000	13,963,308	\$ 48,713,308
Deferred cash consideration	576,544	588,845	525,582	1,690,971
	14,826,544	21,088,845	14,488,890	50,404,279
<b>Total liabilities and considerations</b>	<b>\$ 16,255,890</b>	<b>\$ 21,304,872</b>	<b>\$ 28,462,584</b>	<b>\$ 66,023,346</b>

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**5. BUSINESS COMBINATIONS – continued**

*Acquisitions completed in fiscal 2023 - continued*

- (i) On March 13, 2023, the Company acquired substantially all the assets of Meyer Brothers Funeral Homes, a business consisting of five stand-alone funeral homes located in Sioux City, Iowa, South Sioux City, Nebraska and Ponca, Nebraska for a purchase price of \$14,826,544.
- (ii) On April 10, 2023, the Company acquired substantially all the assets of Carson-Speaks Chapel in Independence, Missouri; Speaks Buckner Chapel in Buckner, Missouri; Speaks Suburban Chapel in Independence Missouri; and Oak Ridge Memory Gardens in Independence, Missouri (“Speaks”), a business consisting of three stand-alone funeral homes and one stand-alone cemetery.
- (iii) On June 26, 2023, the Company acquired substantially all the assets of Cobb Funeral Chapel and Cobb Suncrest Memorial Gardens (“Cobb”), a business consisting of one on-site funeral home and cemetery located in Moultrie, Georgia.

Purchase price for Speaks and Cobb was \$21,088,845.

- (iv) On July 17, 2023, the Company acquired substantially all the assets of Ward Funeral Home Limited (“Ward”) in Brampton, Woodbridge and Toronto, Ontario, a business consisting of three stand-alone funeral homes.
- (v) On August 8, 2023, the Company acquired substantially all the assets of M.W. Becker Funeral Home, Ltd. (“MWB”), a standalone funeral home business in Keswick, Ontario.
- (vi) On August 14, 2023, the Company acquired substantially all the assets of Forrest & Taylor Funeral Home Limited (“Forrest & Taylor”), a standalone funeral home business in Sutton, Ontario.

The collective purchase price for Ward, MWB and Forrest & Taylor was \$14,488,890.

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**5. BUSINESS COMBINATIONS – continued**

*Acquisitions completed in fiscal 2022*

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 Farris, Shackelford, Ertel, Brown's, Taylor, Muehlebach, and Jacoby (as defined 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, 2022.

	December 31, 2022		December 31, 2022
	<i>As previously stated</i>	<i>Adjustments</i>	<i>As restated</i>
Pre-need receivables, net of current portion	\$ 71,106,794	\$ 156,322	\$ 71,263,116
Inventories, net of current portion	69,399,807	92,961	69,492,768
Property and equipment	270,446,079	1,318,995	271,765,074
Goodwill and intangibles	461,704,757	(3,198,123)	458,506,634
Prepaid expenses and other assets	5,050,926	(69,294)	4,981,632
Deferred revenue	(169,338,437)	1,699,139	(167,639,298)
Total	\$ 708,369,926	\$ -	\$ 708,369,926

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, 2022:

	Final Q2 Acquisitions	Final Q3 Acquisitions	Final Q4 Acquisitions	Preliminary Q4 Acquisitions	Total
<b>Assets acquired:</b>					
Accounts receivable	\$ 12,189	\$ 9,932	\$ -	\$ -	\$ 22,121
Pre-need receivables	-	156,322	-	-	156,322
Inventories	246,817	1,457,029	416,405	-	2,120,251
Land held for development	200,000	99,812	63,200	570,000	933,012
Property and equipment	5,495,282	20,340,192	10,323,296	4,804,863	40,963,633
Care and maintenance trust fund investments	168,435	2,122,381	191,868	1,636,757	4,119,441
Pre-need merchandise and service trust fund investments	143,103	2,891,871	1,489,972	6,008,493	10,533,439
Goodwill	8,392,795	12,355,664	17,460,471	3,394,324	41,603,254
Intangibles	1,498,000	4,003,000	3,759,348	903,000	10,163,348
Prepaid expenses and other assets	-	1,533,855	-	-	1,533,855
Total assets	\$ 16,156,621	\$ 44,970,058	\$ 33,704,560	\$ 17,317,437	\$ 112,148,676
<b>Liabilities assumed:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 1,488,267	\$ -	\$ -	\$ 1,488,267
Lease liabilities	20,306	81,447	246,294	-	348,047
Deferred revenue	11,208	1,511,000	69,995	-	1,592,203
Care and maintenance trusts' corpus	168,435	2,122,381	191,868	1,636,757	4,119,441
Deferred pre-need receipts held in trust	143,103	2,891,871	1,489,972	6,008,493	10,533,439
	343,052	8,094,966	1,998,129	7,645,250	18,081,397
<b>Fair value of consideration transferred:</b>					
Cash consideration	14,800,000	35,555,000	18,512,688	9,400,000	78,267,688
Deferred cash consideration	1,013,569	1,320,092	13,193,743	272,187	15,799,591
	15,813,569	36,875,092	31,706,431	9,672,187	94,067,279
Total liabilities and considerations	\$ 16,156,621	\$ 44,970,058	\$ 33,704,560	\$ 17,317,437	\$ 112,148,676

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**5. BUSINESS COMBINATIONS – continued**

*Acquisitions completed in fiscal 2022 - continued*

- (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 September 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.  
  
Purchase price for Chancellor and Hudson was \$15,813,569.
- (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.
- (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.  
  
Purchase price for Farris and Shackelford was \$36,875,092.
- (v) On October 5, 2022, the Company acquired substantially all the assets of Ertel Funeral Home & Crematory (“Ertel”), a stand-alone funeral home located in Cortez, Colorado.
- (vi) On November 2, 2022, the Company acquired substantially all the assets of Brown’s Cremation & Funeral Service (“Brown’s”), a stand-alone funeral home located in Grand Junction, Colorado.
- (vii) On November 7, 2022, the Company acquired substantially all the assets of 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.
- (viii) On November 14, 2022, the Company acquired substantially all the assets of Muehlebach Funeral Care, Skradski-Pierce Funeral Home and Assurance Cremation Society (collectively “Muehlebach”), a business consisting of three stand-alone funeral homes located in Kansas City, Missouri.
- (ix) On November 28, 2022, the Company acquired substantially all the assets of Park Lawn Funeral Home and Memorial Park Cemetery & Green Lawn Cemetery, Park Lawn Northland Chapel and Glenridge Cemetery in Kansas City and Liberty, Missouri (collectively “Park Lawn Missouri”), a business consisting of one on-site, one stand-alone funeral home and one stand-alone cemetery located in Kansas City, Missouri for a purchase price of \$9,672,187.
- (x) On December 12, 2022, the Company acquired substantially all the assets of Schrader, Aragon & Jacoby Funeral Home, Mountain View Memorial Park and Bustard & Jacoby Funerals, Cremation, Monuments and Receptions (collectively “Jacoby”) consisting of two stand-alone funeral homes and one stand-alone cemetery located in Cheyenne and Casper, Wyoming.

The collective purchase price for Ertel, Brown’s, Taylor, Muehlebach and Jacoby was \$31,706,431.

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**5. BUSINESS COMBINATIONS – continued**

*Acquisitions completed in fiscal 2022 - continued*

The fair value allocations for Park Lawn Missouri acquisition are based on preliminary purchase allocations conducted by management. As the acquisition is within the measurement period under IFRS 3 they are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The Company is gathering information to finalize the fair value of land held for development, property and equipment and goodwill and intangibles.

The purchase price allocation for the Chancellor acquisition was finalized in the first quarter of 2023, for Hudson, Farris, Ertel, Brown’s, Taylor, Muehlebach and Jacoby acquisitions in the second quarter of 2023 and for Shackelford acquisition in the third quarter of 2023.

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. External acquisition costs were \$1,610,528 and \$1,283,231 and internal acquisition costs were \$820,050 and \$551,658 for the three month period ended September 30, 2023, and 2022, respectively. External acquisition costs were \$3,568,798 and \$3,231,281 and internal acquisition costs were \$2,403,334 and \$1,359,924 for the nine month period ended September 30, 2023, and 2022, respectively.

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

**6. LAND HELD FOR DEVELOPMENT**

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

	January 1, 2023	Acquired in business combinations	Additions	Transferred to inventory	Reclassified to assets held for sale	Foreign currency translation	September 30, 2023
Cost:							
Land held for development	26,881,392	-	1,057,773	(17,965)	(735,673)	(7,708)	27,177,819
Total	<u>\$ 26,881,392</u>						<u>\$ 27,177,819</u>
	January 1, 2022	Acquired in business combinations	Additions	Transferred to inventory	Disposals	Foreign currency translation	December 31, 2022
Cost:							
Land held for development	26,247,318	933,012	126,383	(221,627)	-	(203,694)	26,881,392
Total	<u>\$ 26,247,318</u>						<u>\$ 26,881,392</u>

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**7. PROPERTY AND EQUIPMENT**

	January 1, 2023	Acquired in business combinations	Additions	Reclassified to assets held for sale	Disposals	Foreign currency translation	September 30, 2023
Cost:							
Land	\$ 64,122,274	5,064,516	-	(3,748,212)	(576,634)	(25,664)	\$ 64,836,280
Buildings, cemetery and funeral property	193,908,172	10,443,562	5,747,476	(20,418,851)	(1,232,976)	(86,280)	188,361,103
Machinery, equipment and automotive	37,424,114	2,743,419	3,269,998	(7,530,756)	(313,044)	(26,793)	35,566,938
Cemetery improvements	9,897,666	-	709,588	(2,036,322)	(202,871)	(7,661)	8,360,400
Right-of-use asset	8,458,659	8,724,437	1,270,652	(186,108)	(115,033)	(127,606)	18,025,001
Total	313,810,885	26,975,934	10,997,714	(33,920,249)	(2,440,558)	(274,004)	315,149,722
Accumulated depreciation:							
Buildings, cemetery and funeral property	19,190,186	-	5,144,000	(4,173,631)	(179,121)	(14,609)	19,966,825
Machinery, equipment and automotive	15,601,699	-	3,935,665	(4,313,944)	(212,946)	(9,337)	15,001,137
Cemetery improvements	4,241,378	-	528,553	(1,833,028)	(81,804)	(3,790)	2,851,309
Right-of-use asset	3,012,548	-	1,387,057	(133,823)	(72,769)	(8,749)	4,184,264
Total	42,045,811	-	10,995,275	(10,454,426)	(546,640)	(36,485)	42,003,535
Net book value	\$ 271,765,074						\$ 273,146,187

  

	January 1, 2022	Acquired in business combinations	Additions	Transfers	Disposals	Foreign currency translation	December 31, 2022 (Restated, Measurement Period Adjustment - See Note 5)
Cost:							
Land	\$ 56,891,055	3,981,999	357,120	3,372,505	(271,560)	(208,845)	\$ 64,122,274
Buildings, cemetery and funeral property	149,959,754	31,695,992	13,344,944	1,192,282	(685,735)	(1,599,065)	193,908,172
Machinery, equipment and automotive	29,040,173	5,343,096	4,017,934	-	(710,801)	(266,288)	37,424,114
Cemetery improvements	14,598,994	(405,500)	692,120	(4,564,787)	(214,839)	(208,322)	9,897,666
Right-of-use asset	8,296,058	348,046	3,597,438	-	(3,455,613)	(327,270)	8,458,659
Total	258,786,034	40,963,633	22,009,556	-	(5,338,548)	(2,609,790)	313,810,885
Accumulated depreciation:							
Buildings, cemetery and funeral property	14,849,055	-	5,025,953	-	(469,096)	(215,726)	19,190,186
Machinery, equipment and automotive	11,328,757	-	4,376,967	-	43,647	(147,672)	15,601,699
Cemetery improvements	3,622,149	-	728,288	-	(41,802)	(67,257)	4,241,378
Right-of-use asset	3,614,563	-	1,742,398	-	(2,247,031)	(97,382)	3,012,548
Total	33,414,524	-	11,873,606	-	(2,714,282)	(528,037)	42,045,811
Net book value	\$ 225,371,510						\$ 271,765,074

Property and equipment depreciation expense amounted to \$3,931,235 and \$3,369,653 for the three month period ended September 30, 2023, and 2022, respectively, and \$10,995,275 and \$9,096,707 for the nine month period ended September 30, 2023, and 2022, respectively. Included in property and equipment is depreciation expense related to corporate assets of \$148,750 and \$151,910 for the three month period ended September 30, 2023, and 2022, respectively, and \$441,646 and \$270,618 for the nine month period ended September 30, 2023, and 2022, respectively. Depreciation expense is included in general and administrative expenses and corporate general and administrative expenses on the consolidated statements of earnings.

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**7. PROPERTY AND EQUIPMENT – continued**

Included in additions at September 30, 2023, are \$1,808,709 of additions at Canadian cemeteries and funeral sites (at December 31, 2022 - \$5,493,530) and \$9,189,005 of additions at U.S. cemeteries and funeral sites (at December 31, 2022 - \$16,516,026).

The amount of interest capitalized to development costs on property was \$87,705 and \$nil for the three month period ended September 30, 2023, and 2022, respectively, and \$202,788 and \$329,388 for the nine month period ended September 30, 2023, and 2022, respectively. Capitalization rate used to determine the amount of borrowing costs eligible for capitalization was 7.0% and 2.5% for the three month period ended September 30, 2023, and 2022, respectively, and 6.2% and 1.7% for the nine month period ended September 30, 2023, and 2022, respectively.

During the three month period ended September 30, 2023, the Company disposed of land and miscellaneous equipment realizing a net gain of \$9,633. During the nine month period ended September 30, 2023, the Company disposed of land and miscellaneous equipment for a sale price of \$902,380 realizing a net gain of \$54,762. Also included in disposition is property and equipment related to the sale of a non-strategic cemetery business (see Note 21).

During the three month period ended September 30, 2022, the Company disposed of land and miscellaneous equipment which resulted in a net gain of \$14,139. 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.

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

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



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**8. CARE AND MAINTENANCE TRUST FUND INVESTMENTS**

Investment income recognized in operations amounted to \$2,300,376 and \$2,497,355 for the three month period ended September 30, 2023, and 2022, respectively, and \$7,547,882 and \$6,990,454 for the nine month period ended September 30, 2023, and 2022, respectively.

The Company contributed \$2,642,064 and \$1,234,005 to the care and maintenance trust funds for the three month period ended September 30, 2023, and 2022, respectively, and \$7,391,665 and \$7,063,513 to the care and maintenance trust funds for the nine month period ended September 30, 2023, and 2022, respectively.

Care and maintenance trust fund investments consist of the following:

	Fair Value and Amortized Cost		Cost	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<b>Cash and cash equivalents</b>	\$ 12,632,052	\$ 7,865,262	\$ 12,627,883	\$ 7,865,262
<b>Fixed Income</b>				
<i>Canadian</i>				
Corporate	4,110,815	4,236,363	4,694,681	4,805,071
Government	138,700	143,646	128,641	128,955
<i>US</i>				
Corporate	54,853	718,745	95,305	829,476
Government	-	929,496	-	1,061,705
<b>Equities</b>				
<i>Canadian</i>				
Canadian	41,711,659	49,517,250	38,761,309	42,925,182
<i>US</i>				
US	266	62,946	36	18,731
<i>Canadian Preferred</i>				
Canadian Preferred	4,771,164	2,575,322	4,856,919	2,553,175
<i>US Preferred</i>				
US Preferred	-	82,424	-	102,624
<b>Mutual Funds/ETFs</b>				
Equity	38,121,990	36,323,989	39,115,786	38,574,050
Fixed Income	49,568,219	51,938,733	55,739,007	60,932,657
Preferred	23,087,443	23,392,118	30,346,352	30,764,692
<b>Alternative</b>	33,183,302	31,673,308	33,514,833	31,015,692
	207,380,463	209,459,602	219,880,752	221,577,272
Reclassified to assets held for sale	(40,562,795)	-	(44,520,933)	-
	<u>\$ 166,817,668</u>	<u>\$ 209,459,602</u>	<u>\$ 175,359,819</u>	<u>\$ 221,577,272</u>

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**9. PRE-NEED MERCHANDISE AND SERVICE TRUST FUND INVESTMENTS**

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

	Fair Value and Amortized Cost		Cost	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
<b>Cash and cash equivalents</b>	\$ 50,306,523	\$ 34,221,250	\$ 50,320,874	\$ 34,239,751
<b>GIC's</b>	29,895,720	24,540,120	29,895,720	24,540,120
<b>Fixed Income</b>				
<i>Canadian</i>				
Corporate	-	-	-	-
Government	-	-	-	-
<i>US</i>				
Corporate	4,314,105	5,767,732	4,340,516	5,894,672
Government	181,283	1,268,055	213,412	1,477,244
<b>Equities</b>				
<i>Canadian</i>	141,147	194,708	106,265	142,512
<i>US</i>	431,220	1,707,553	311,903	1,529,347
<i>Canadian Preferred</i>	23,712	5,177	23,615	6,295
<i>US Preferred</i>	-	308,328	-	392,128
<b>Mutual Funds/ETFs</b>				
Equity	83,697,211	80,465,512	95,851,245	101,710,959
Fixed Income	38,095,617	38,596,985	43,844,308	44,288,872
Preferred	-	-	-	-
<b>Alternative</b>	53,897,339	52,217,405	48,689,400	47,639,746
	<u>260,983,877</u>	<u>239,292,825</u>	<u>273,597,258</u>	<u>261,861,646</u>
Reclassified to assets held for sale	(82,999,256)	-	(80,229,625)	-
	<u>\$ 177,984,621</u>	<u>\$ 239,292,825</u>	<u>\$ 193,367,633</u>	<u>\$ 261,861,646</u>

**10. 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, 2023, the current face amount of pre-funded policies was \$591,584,138 (as at December 31, 2022 – \$532,083,602). 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.

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**11. GOODWILL AND INTANGIBLES**

The changes in the carrying amount of goodwill and intangible assets as at September 30, 2023, were:

	January 1, 2023	Acquired in business combinations	Additions	Reclassified to assets held for sale	Foreign currency translation	September 30, 2023
Cost:						
Goodwill	\$ 414,192,112	22,911,937	-	(66,489,618)	(109,741)	370,504,690
Non-compete agreements	15,390,301	4,459,483	-	-	(29,071)	19,820,713
Brand	32,349,500	3,541,029	-	-	(15,452)	35,875,077
Computer software	2,798,659	-	688,035	-	-	3,486,694
Total	464,730,572	30,912,449	688,035	(66,489,618)	(154,264)	429,687,174
Accumulated amortization:						
Non-compete agreements	6,090,363	-	994,262	-	(1,321)	7,083,304
Computer software	133,575	-	100,182	-	-	233,757
Total	6,223,938	-	1,094,444	-	(1,321)	7,317,061
Net book value	\$ 458,506,634					\$ 422,370,113

The changes in the carrying amount of goodwill and intangible assets as at December 31, 2022, were:

	January 1, 2022	Acquired in business combinations	Additions	Disposals	Foreign currency translation	December 31, 2022 (Restated, Measurement Period Adjustment - See Note 5)
Cost:						
Goodwill	\$ 373,510,819	41,603,254	-	-	(921,961)	414,192,112
Non-compete agreements	12,907,091	2,954,348	73,360	(503,000)	(41,498)	15,390,301
Brand	25,140,500	7,209,000	-	-	-	32,349,500
Computer software	2,006,281	-	792,378	-	-	2,798,659
Total	413,564,691	51,766,602	865,738	(503,000)	(963,459)	464,730,572
Accumulated amortization:						
Non-compete agreements	5,556,101	-	1,051,066	(503,000)	(13,804)	6,090,363
Computer software	-	-	133,575	-	-	133,575
Total	5,556,101	-	1,184,641	(503,000)	(13,804)	6,223,938
Net book value	\$ 408,008,590					\$ 458,506,634

Amortization expense amounted to \$413,184 and \$162,662 for the three month period ended September 30, 2023, and 2022, respectively, and \$1,094,444 and \$864,235 for the nine month period ended September 30, 2023, and 2022, respectively.

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**12. LONG-TERM DEBT**

	September 30, 2023	December 31, 2022
Credit facility	\$ 196,307,750	\$ 151,377,460
Other debt	55,562	91,540
Deferred financing costs	(1,050,166)	(1,302,733)
Total	195,313,146	150,166,267
Current portion	31,409	43,622
Non-current portion	\$ 195,281,737	\$ 150,122,645

*Credit Facility*

On February 21, 2023, the Company and one of its U.S. subsidiaries entered into a fourth amended and restated credit agreement as borrowers, with a syndicate of lenders led by National Bank of Canada (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the “Credit Facility”). The Credit Facility has an overall borrowing capacity of \$240 million and a maturity date of August 31, 2027. Additionally, the Credit Facility includes a \$60 million tranche for a term of one-year, maturing on February 21, 2024. Based on the borrowing currency, the Credit Facility bears variable interest at the banker’s acceptance rate (where borrowing currency is CAD) or secured overnight financing rate (where borrowing currency is USD) plus an applicable margin based on a leverage ratio calculation.

All amounts borrowed may be repaid at any time and re-borrowed, subject to certain terms and conditions. PLC’s obligations are guaranteed by each of the Company’s wholly owned material subsidiaries. The Credit Facility also includes certain financial and non-financial covenants that PLC must comply with.

During the first quarter of 2023, the Company, through one of its subsidiaries, entered into interest rate swap transactions with three of the Company’s syndicate lenders under the Credit Facility, whereby, the parties agreed to exchange at specified intervals, fixed and variable interest amounts (see Note 23).

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**12. LONG-TERM DEBT – continued**

*Credit facility - continued*

As at September 30, 2023, there was \$196,307,750 outstanding under the Credit Facility (as at December 31, 2022 - \$151,377,460). Deferred financing costs have been capitalized and are being amortized over the term of the Credit Facility. The amortization of deferred financing costs were \$192,893 and \$118,266 for the three month period ended September 30, 2023, and 2022, respectively, and \$519,603 and \$334,386 for the nine month period ended September 30, 2023, and 2022, respectively. As at September 30, 2023, standby letters of credit were issued utilizing \$547,973 of the Credit Facility (as at December 31, 2022 - \$564,078).

*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.

**13. NOTES PAYABLE**

	September 30, 2023	December 31, 2022
Notes payable	\$ 16,682,326	\$ 25,035,340
Current portion	5,370,282	14,213,582
Non-current portion	\$ 11,312,044	\$ 10,821,758

*Notes payable*

*i)* The Company has an outstanding note payable of \$1,071,075 (as at December 31, 2022 - \$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 \$15,611,251 (as at December 31, 2022 - \$23,964,265) to former owners of previously acquired businesses, primarily for the deferred consideration. Included in the notes payable at December 31, 2022, was deferred consideration of \$11,499,341 which was paid in January 2023 for the Jacoby acquisition. These notes payable have imputed interest rates ranging from 2% to 6% and remaining terms of up to 10 years.

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**13. NOTES PAYABLE - continued**

*Summary of principal repayments by year*

	Due in one year	Due between one and two years	Due between two and three years	Due between three and four years	Due between four and five years	Thereafter	Total
Notes payable	\$ 5,370,282	\$ 2,500,650	\$ 1,922,153	\$ 1,619,097	\$ 1,523,313	\$ 3,746,831	\$ 16,682,326

**14. SENIOR UNSECURED DEBENTURES**

The Debentures bear interest at a rate of 5.75% per annum, payable semi-annually in arrears on June 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.

The balance of the Debentures as at September 30, 2023, consists of the following:

	September 30, 2023
Balance at December 31, 2021	\$ 65,237,067
Accretion expense in 2022	611,953
Foreign currency translation	(4,198,435)
Balance at December 31, 2022	\$ 61,650,585
Accretion expense in 2023	469,838
Foreign currency translation	(154,605)
Balance at September 30, 2023	\$ 61,965,818

Interest expense on the Debentures amounted to \$931,856 and \$957,062 for the three month period ended September 30, 2023, and 2022, respectively, and \$2,757,153 and \$2,891,060 for the nine month period ended September 30, 2023, and 2022, respectively. Accretion expense amounted to \$161,482 and \$154,913 for the three month period ended September 30, 2023, and 2022, respectively, and \$469,838 and \$459,926 for the nine month period ended September 30, 2023, and 2022, respectively. The transaction costs are amortized over the life of the Debentures, and as of September 30, 2023, the total unamortized portion of the transaction costs was \$1,464,248.

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**15. 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, 2023	December 31, 2022 <i>(Restated, Measurement Period Adjustment - See Note 5)</i>
Cemetery and funeral merchandise, lots, crypts, and niches	\$ 103,396,354	\$ 98,221,529
Cemetery and funeral services	71,024,707	69,417,769
Total	174,421,061	167,639,298
Reclassified to liabilities directly associated with assets held for sale	(79,648,634)	-
Total	<u>\$ 94,772,427</u>	<u>\$ 167,639,298</u>

**16. DIVIDENDS**

The Company makes quarterly dividend payments to its 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 is C\$0.114 per Common Share per quarter. The total amount of dividends declared by the Company were \$2,886,574 and \$2,948,613 for the three month period ended September 30, 2023, and 2022, respectively, and \$8,616,071 and \$9,068,724 for the nine month period ended September 30, 2023, and 2022, respectively.

**17. 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.

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**17. SHARE CAPITAL - continued**

*Shares issued and outstanding*

	Number of Common Shares	Amount
Balance January 1, 2022	33,930,209	\$ 509,011,563
Shares issued pursuant to:		
Dividend reinvestment plan (i)	105,387	2,348,834
Equity incentive plan (Note 20)	104,542	2,265,703
Acquisition of non-controlling interest (ii)	-	(270,556)
Shares purchased under normal course issuer bid and held in trust for future settlement of share based incentive compensation (iii)	(200,985)	(3,018,098)
Balance December 31, 2022, net of shares held in trust (iii)	<u>33,939,153</u>	<u>\$ 510,337,446</u>
Shares issued pursuant to:		
Dividend reinvestment plan (i)	115,595	\$ 2,233,262
Equity incentive plan (Note 20)	89,310	1,972,155
Shares purchased under normal course issuer bid and held in trust for future settlement of share based incentive compensation (iii)	(178,799)	(2,695,568)
Balance September 30, 2023, net of shares held in trust (iii)	<u>33,965,259</u>	<u>\$ 511,847,295</u>

*(i) Dividend reinvestment plan*

For the nine month period ended September 30, 2023, 115,595 Common Shares were issued under the DRIP (for the year ended December 31, 2022 – 105,387).



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**17. SHARE CAPITAL – continued**

*(ii) 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 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.

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

On August 10, 2023, the Company received approval from the TSX to renew its NCIB. Under the NCIB, the Company may, during the twelve-month period commencing August 17, 2023, and ending August 16, 2024, purchase up to a maximum of 3,391,575 Common Shares, representing 10% of its public float of issued and outstanding Common Shares as at August 4, 2023. All Common Shares purchased by the Company under the NCIB are cancelled or transferred to and held by a trust established by PLC (the "Trust") for the settlement of awards issued under the Company's equity incentive plan (the "EIP"). Purchases made by the Company are 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 are at PLC's discretion. Daily purchases are limited to 15,708 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 the inception of its NCIB which commenced on August 17, 2022, the Company has purchased 379,784 Common Shares through open market purchases on the TSX and/or alternative Canadian trading systems, at a weighted average price of approximately C\$23.90 per Common Share for total cash consideration, including commission, of \$6,720,279 (C\$9,076,335). For the nine month period ended September 30, 2023, the Company purchased 178,799 Common Shares for aggregate consideration of \$2,967,388 (C\$4,014,847). As at the date hereof, 307,141 Common Shares are held in the Trust for the settlement of awards issued under the EIP.

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 the EIP.

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**17. SHARE CAPITAL – continued**

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

The Trust is considered SE 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.

The Company has repurchased 379,784 Common Shares in aggregate under NCIB and 307,141 are held in trust.

	September 30, 2023	December 31, 2022
Common shares repurchased under the NCIB and held in trust (number of shares)		
Outstanding, beginning of the period	200,985	-
Shares purchased	178,799	200,985
Shares used for EIP award redemptions	<u>(72,643)</u>	<u>-</u>
Outstanding, end of the period	307,141	200,985

For the nine month period ended September 30, 2023, the Company repurchased 178,799 Common Shares for aggregate consideration of \$2,967,388 (C\$4,014,847). For the year ended December 31, 2022, the Company repurchased 200,985 Common Shares for aggregate consideration of \$3,752,891 (C\$5,061,488).

	September 30, 2023	December 31, 2022
Common shares repurchased under the NCIB and held in trust (number of shares) for the period ended	178,799	200,985
Cash consideration paid	\$ 2,967,388	\$ 3,752,891
Premium charged to retained earnings	271,820	734,793
Reduction in common share capital	2,695,568	3,018,098

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net earnings for the period	\$ 3,296,492	\$ 5,323,908	\$ 11,648,219	\$ 19,833,812
Basic weighted average number of common shares, net of shares held in trust	34,464,063	34,315,507	34,334,784	34,268,572
Dilutive effect of equity incentive plan (Note 20)	736,855	391,328	399,734	533,122
Diluted weighed average number of common shares, net of shares held in trust	<u>35,200,918</u>	<u>34,706,835</u>	<u>34,734,518</u>	<u>34,801,694</u>
Net earnings per share - basic	\$ 0.096	\$ 0.155	\$ 0.339	\$ 0.579
Net earnings per share - diluted	\$ 0.094	\$ 0.153	\$ 0.335	\$ 0.570

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**18. COST OF SALES**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cost of sales - merchandise	\$ 10,584,760	\$ 9,293,236	\$ 32,325,134	\$ 28,432,644
Cost of sales - cemetery lots, crypts and niches (cost of property)	2,389,353	1,819,935	5,372,433	5,245,488
Cost of sales - services	1,647,750	1,326,569	4,682,388	3,957,359
Cost of sales - labour	858,454	682,433	2,400,865	2,125,254
Total cost of sales	<u>\$ 15,480,317</u>	<u>\$ 13,122,173</u>	<u>\$ 44,780,820</u>	<u>\$ 39,760,745</u>

**19. FINANCE COSTS**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Finance costs:				
Interest on credit facility (Note 12)	\$ 3,501,233	\$ 717,936	\$ 8,581,905	\$ 1,448,143
Interest on Senior Unsecured Debentures (Note 14)	931,856	957,062	2,757,153	2,891,060
Interest on mortgages, other debt and notes payable (Note 12 and 13)	198,260	198,966	407,325	462,947
Interest on lease liabilities	212,490	78,894	506,978	241,981
Amortization of deferred financing costs (Note 12)	192,893	118,266	519,603	334,386
Accretion expense on senior unsecured debentures (Note 14)	161,482	154,913	469,838	459,926
Interest capitalized to construction (Note 7)	(87,705)	-	(202,788)	(329,388)
Unrealized foreign exchange on finance costs	(993)	(16,736)	68,339	(18,374)
Interest adjustment on interest rate swaps	(245,790)	-	(433,399)	-
Total	<u>\$ 4,863,726</u>	<u>\$ 2,209,301</u>	<u>\$ 12,674,954</u>	<u>\$ 5,490,681</u>

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

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**20. EQUITY INCENTIVE PLAN**

*Deferred Share Units (“DSUs”)*

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

	September 30, 2023	December 31, 2022
Outstanding, beginning of the period	46,777	47,748
Awarded	13,388	14,825
Redemptions	-	(16,476)
Dividend equivalents	677	680
Outstanding, end of the period	<u>60,842</u>	<u>46,777</u>

*Restricted Share Units (“RSUs”)*

Pursuant to the EIP, the following RSUs were granted by the Company and are outstanding. Each dividend equivalent represents one Common Share. 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. As at September 30, 2023, 211,666 of the awarded and outstanding RSUs have vested. The weighted average issuance price for the nine month period ended September 30, 2023, was \$18.52 or C\$24.96.

	September 30, 2023	December 31, 2022
Outstanding, beginning of the period	271,524	250,738
Awarded	861,516	69,527
Redemptions	(72,643)	(51,119)
Cancellations/Forfeited	(83,093)	(918)
Dividend equivalents	3,904	3,296
Outstanding, end of the period	<u>981,208</u>	<u>271,524</u>

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**20. EQUITY INCENTIVE PLAN – continued**

*Performance Share Units (“PSUs”)*

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, 2023, 88,941 of the awarded and outstanding PSUs have vested.

	September 30, 2023	December 31, 2022
Outstanding, beginning of the period	192,400	112,226
Awarded	99,732	115,983
Redemptions	(7,467)	(36,929)
Cancellations/Forfeited	(2,586)	-
Dividend equivalents	2,498	1,120
Outstanding, end of the period	<u>284,577</u>	<u>192,400</u>

*Stock Options and Performance Options (“Options”)*

<u>Grant Date</u>	<u>Expiry Date</u>	<u>Price</u>	<u>Exercise</u>		
			<u>30-Jun-23</u>	<u>Vested</u>	<u>Unvested</u>
May 21, 2020	May 21, 2025	\$ 15.06	276,667	-	276,667
October 5, 2020	October 30, 2024	\$ 20.88	80,000	-	80,000
			356,667	-	356,667
		Weighted Average Exercise Price	\$ 18.60	\$ 19.77	\$ 18.60

The compensation expenses in respect of EIP awards amounted to \$609,301 and \$1,153,906 for the three month period ended September 30, 2023, and 2022, respectively, and \$3,779,139 and \$3,839,149 for the nine month period ended September 30, 2023, and 2022, respectively. Included in the compensation expenses are legal and administrative fees related to the issuance of EIP awards of \$8,421 and \$19,697 for the three month period ended September 30, 2023, and 2022, respectively, and \$34,988 and \$60,642 for the nine month period ended September 30, 2023, and 2022, respectively. The counterpart has been reflected in contributed surplus. Management plans to settle all DSUs, RSUs, PSUs and Options by issuing Common Shares from treasury or (other than Options granted to Canadian Taxpayers) by delivery of Common Shares from the Trust. When the DSUs, RSUs, PSUs and Options are settled for Common Shares, the amounts previously credited to contributed surplus are transferred to share capital.

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**21. OTHER INCOME (EXPENSES)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Legal and other costs	\$ (109,199)	\$ (103,219)	\$ (575,188)	\$ (259,763)
Gain (Loss) on disposal of property and equipment (Note 7)	9,633	14,139	54,762	1,852,156
Loss on disposal of non-strategic business	-	-	(2,579,491)	-
Impairment on other assets	-	-	-	(153,972)
	<u>\$ (99,566)</u>	<u>\$ (89,080)</u>	<u>\$ (3,099,917)</u>	<u>\$ 1,438,421</u>

Legal and other costs were \$109,199 and \$103,219 for the three month period ended September 30, 2023, and 2022, respectively, and \$575,188 and \$259,763 for the nine month period ended September 30, 2023, and 2022, 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.

On May 1, 2023, the Company sold a non-strategic cemetery business in the state of New York for a nominal amount, incurring loss on disposition of \$2,579,491.

**22. RELATED PARTY TRANSACTIONS AND BALANCES**

*Key management compensation*

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Key management compensation	\$ 1,648,329	\$ 1,303,437	\$ 5,460,283	\$ 4,460,526
Directors' fees	110,994	128,257	361,936	411,743
Total	<u>\$ 1,759,323</u>	<u>\$ 1,431,694</u>	<u>\$ 5,822,219</u>	<u>\$ 4,872,269</u>

Directors' fees and key management compensation included in share-based incentive were \$649,474 and \$663,263 for the three month period ended September 30, 2023, and 2022, respectively, and \$2,898,194 and \$2,240,066 for the nine month period ended September 30, 2023, and 2022, respectively. Key management compensation included in acquisition and integration costs were \$243,149 and \$180,385 for the three month period ended September 30, 2023, and 2022, respectively, and \$716,177 and \$456,212 for the nine month period ended September 30, 2023, and 2022, respectively. As at September 30, 2023, included in accounts payable and accrued liabilities are directors' fees and key management compensation of \$1,253,511 (as at December 31, 2022 - \$1,038,245).

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**22. RELATED PARTY TRANSACTIONS AND BALANCES – continued**

*Key management compensation - continued*

Through a limited partnership formed by a subsidiary of the Company as general partner, and a trustee on behalf of certain of the Company's care and maintenance trust funds, as limited partners ("Haines LP"), the Company completed the purchase of four industrial units of property in Mississauga, Ontario, Canada (the "Haines Properties") in the second quarter of 2023. A purchase and sale agreement for the Haines Properties was entered into by Haines LP for an aggregate purchase price of C\$3,331,885. The Haines Properties are leased by Haines LP to a funeral home owned by the Company on substantially the same terms as the prior lease for the Haines Properties, with increases in rent to align with market rates.

On July 17, 2023, PLC acquired substantially all the assets of Ward, consisting of three stand-alone funeral homes located in Brampton, Woodbridge and Toronto, Ontario. This business was owned in-part by John Ward, a former director of the Company who did not stand for re-election to the Board for the 2023-2024 service year.

**23. 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, 2023, the senior unsecured debentures (see Note 14) are valued under Level 2 and have a fair value of \$61,947,752 (as at December 31, 2022 - \$63,041,591).

As at September 30, 2023, 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.

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**23. 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, 2023

	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
<b>Cash and cash equivalents</b>	\$ 12,627,883	\$ -	\$ -	\$ -	\$ 12,632,052	\$ 12,632,052
<b>Fixed Income</b>						
<i>Canadian</i>						
Corporate	4,694,681	380,308	-	-	3,730,507	4,110,815
Government	128,641	138,700	-	-	-	138,700
<i>US</i>						
Corporate	95,305	54,853	-	-	-	54,853
Government	-	-	-	-	-	-
<b>Equities</b>						
<i>Canadian</i>						
US	38,761,309	41,711,659	-	-	-	41,711,659
<i>Canadian Preferred</i>	4,856,919	4,771,164	-	-	-	4,771,164
<i>US Preferred</i>	-	-	-	-	-	-
<b>Mutual Funds/ETFs</b>						
Equity	39,115,786	38,121,990	-	-	-	38,121,990
Fixed Income	55,739,007	49,568,219	-	-	-	49,568,219
Preferred	30,346,352	23,087,443	-	-	-	23,087,443
<b>Alternative</b>	33,514,833	-	-	33,183,302	-	33,183,302
	<u>\$ 219,880,752</u>	<u>\$ 157,834,602</u>	<u>\$ -</u>	<u>\$ 33,183,302</u>	<u>\$ 16,362,559</u>	<u>\$ 207,380,463</u>

Care and maintenance trust fund investments at December 31, 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
<b>Cash and cash equivalents</b>	\$ 7,865,262	\$ -	\$ -	\$ -	\$ 7,865,262	\$ 7,865,262
<b>Fixed Income</b>						
<i>Canadian</i>						
Corporate	4,805,071	544,863	-	-	3,691,500	4,236,363
Government	128,955	143,646	-	-	-	143,646
<i>US</i>						
Corporate	829,476	666,452	-	-	52,293	718,745
Government	1,061,705	929,496	-	-	-	929,496
<b>Equities</b>						
<i>Canadian</i>						
US	42,925,182	49,517,250	-	-	-	49,517,250
<i>Canadian Preferred</i>	18,731	62,946	-	-	-	62,946
<i>US Preferred</i>	2,553,175	2,575,322	-	-	-	2,575,322
<i>US Preferred</i>	102,624	82,424	-	-	-	82,424
<b>Mutual Funds/ETFs</b>						
Equity	38,574,050	36,323,989	-	-	-	36,323,989
Fixed Income	60,932,657	51,938,733	-	-	-	51,938,733
Preferred	30,764,692	23,392,118	-	-	-	23,392,118
<b>Alternative</b>	31,015,692	-	-	31,673,308	-	31,673,308
	<u>\$ 221,577,272</u>	<u>\$ 166,177,239</u>	<u>\$ -</u>	<u>\$ 31,673,308</u>	<u>\$ 11,609,055</u>	<u>\$ 209,459,602</u>



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**23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued**

*Fair value of financial instruments - continued*

	<u>January 1, 2023</u>	<u>Investment purchases</u>	<u>Investment dispositions</u>	<u>Capital distributions</u>	<u>Foreign exchange</u>	<u>Change in fair value</u>	<u>September 30, 2023</u>
Alternative	31,673,308	9,730,063	(2,879,412)	(29,362)	(9,316)	(5,301,979)	33,183,302
Total	<u>\$ 31,673,308</u>						<u>\$ 33,183,302</u>
	<u>January 1, 2022</u>	<u>Investment purchases</u>	<u>Investment dispositions</u>	<u>Capital distributions</u>	<u>Foreign exchange</u>	<u>Change in fair value</u>	<u>December 31, 2022</u>
Alternative	24,023,844	17,883,681	(9,228,133)	-	(466,755)	(539,329)	31,673,308
Total	<u>\$ 24,023,844</u>						<u>\$ 31,673,308</u>

The Company's trust funds have investments in alternative investments, they relate to direct limited partnerships in real estate properties, private funds with interests in, private market real estate, infrastructure, and private debt. Some of these investments are more liquid than others. The trust funds cannot redeem interests of indirect limited partnerships unless the underlying asset is sold. The general partners of such direct limited partnerships have not communicated the timing of any immediate liquidations.

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**23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued**

*Fair value of financial instruments – continued*

Pre-need merchandise and service trust fund investments at September 30, 2023

	Cost	Level 1	Level 2	Level 3	Amortized	Total fair value
		Quoted market price	Valuation technique - observable market inputs	Valuation technique - non-observable market inputs	cost	
<b>Cash and cash equivalents</b>	\$ 50,320,874	\$ -	\$ -	\$ -	\$ 50,306,523	\$ 50,306,523
<b>GIC's</b>	29,895,720	-	29,895,720	-	-	29,895,720
<b>Fixed Income</b>						
<i>Canadian</i>						
Corporate	-	-	-	-	-	-
Government	-	-	-	-	-	-
<i>US</i>						
Corporate	4,340,516	4,314,105	-	-	-	4,314,105
Government	213,412	181,283	-	-	-	181,283
<b>Equities</b>						
<i>Canadian</i>						
US	106,265	141,147	-	-	-	141,147
<i>US</i>						
Canadian Preferred	311,903	431,220	-	-	-	431,220
US Preferred	23,615	23,712	-	-	-	23,712
<b>Mutual Funds/ETFs</b>						
Equity	95,851,245	83,697,211	-	-	-	83,697,211
Fixed Income	43,844,308	38,095,617	-	-	-	38,095,617
Preferred	-	-	-	-	-	-
<b>Alternative</b>	48,689,400	-	-	53,897,339	-	53,897,339
	<u>\$ 273,597,258</u>	<u>\$ 126,884,295</u>	<u>\$ 29,895,720</u>	<u>\$ 53,897,339</u>	<u>\$ 50,306,523</u>	<u>\$ 260,983,877</u>

Pre-need merchandise and service trust fund investments at December 31, 2022

	Cost	Level 1	Level 2	Level 3	Amortized	Total fair value
		Quoted market price	Valuation technique - observable market inputs	Valuation technique - non-observable market inputs	cost	
<b>Cash and cash equivalents</b>	\$ 34,239,751	\$ -	\$ -	\$ -	\$ 34,221,250	\$ 34,221,250
<b>GIC's</b>	24,540,120	-	24,540,120	-	-	24,540,120
<b>Fixed Income</b>						
<i>Canadian</i>						
Corporate	-	-	-	-	-	-
Government	-	-	-	-	-	-
<i>US</i>						
Corporate	5,894,672	5,767,732	-	-	-	5,767,732
Government	1,477,244	1,268,055	-	-	-	1,268,055
<b>Equities</b>						
<i>Canadian</i>						
US	142,512	194,708	-	-	-	194,708
<i>US</i>						
Canadian Preferred	1,529,347	1,707,553	-	-	-	1,707,553
US Preferred	6,295	5,177	-	-	-	5,177
<b>Mutual Funds/ETFs</b>						
Equity	392,128	308,328	-	-	-	308,328
Fixed Income	101,710,959	80,465,512	-	-	-	80,465,512
Preferred	44,288,872	38,596,985	-	-	-	38,596,985
<b>Alternative</b>	47,639,746	-	-	52,217,405	-	52,217,405
	<u>\$ 261,861,646</u>	<u>\$ 128,314,050</u>	<u>\$ 24,540,120</u>	<u>\$ 52,217,405</u>	<u>\$ 34,221,250</u>	<u>\$ 239,292,825</u>

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**23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued**

*Fair value of financial instruments – continued*

	January 1, 2023	Investment purchases	Investment dispositions	Capital Distributions	Foreign exchange	Change in fair value	September 30, 2023
Alternative	<u>52,217,405</u>	<u>7,913,743</u>	<u>(5,232,500)</u>	<u>(168,617)</u>	<u>-</u>	<u>(832,692)</u>	<u>53,897,339</u>
Total	<u>\$ 52,217,405</u>						<u>\$ 53,897,339</u>

  

	January 1, 2022	Investment purchases	Investment dispositions	Capital Distributions	Foreign exchange	Change in fair value	December 31, 2022
Alternative	<u>30,921,261</u>	<u>25,468,428</u>	<u>-</u>	<u>(206,294)</u>	<u>-</u>	<u>(3,965,990)</u>	<u>52,217,405</u>
Total	<u>\$ 30,921,261</u>						<u>\$ 52,217,405</u>

The Company's trust funds have investments in alternative investments, they relate to direct limited partnerships in real estate properties, private funds with interests in, private market real estate, infrastructure, and private debt. Some of these investments are more liquid than others. The trust funds cannot redeem interests in direct limited partnerships unless the underlying asset is sold. The general partners of such direct limited partnerships have not communicated the timing of any immediate liquidations.

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**23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued**

*Fair value of financial instruments – continued*

(i) Risk management

Management manages a portion of its variable-rate Credit Facility using interest rate swaps that alter its exposure to the impact of changing interest rates. The interest rate swaps are not designated as hedging instruments and as a result, the changes in fair value are recognized in earnings in the consolidated statement of net income and comprehensive income.

As of September 30, 2023, a 100 basis-point change in interest rates, assuming all other variables are constant, would result in a \$1,963,078 change in the Company's finance costs over the next 12 months excluding the impact of the \$100 million interest rate swaps.

(ii) Interest rate swaps

The interest rate swaps are not designated as a hedge for accounting purposes. These swaps are used to manage interest rate exposure over the period of the interest rate swaps. The differential to be paid or received on all swap agreements is accrued as interest rates change and is recognized in finance costs over the life of the respective agreements. The interest rate swaps contain no credit risk-related contingent features.

On February 23, 2023, the Company, through one of its subsidiaries, entered into an interest rate swap with one of the Company's syndicate lenders of the Credit Facility whereby the parties agreed to exchange at specified intervals, fixed and variable interest amounts calculated by reference to a notional amount of \$50 million. The transaction, effective February 27, 2023, matures on February 27, 2026, and has a variable to fixed interest rate swap arrangement of 4.372%.

On March 9, 2023, the Company, through one of its subsidiaries, entered into an interest rate swap with one of the Company's syndicate lenders of the Credit Facility whereby the parties agreed to exchange at specified intervals, fixed and variable interest amounts calculated by reference to a notional amount of \$25 million. The transaction, effective March 3, 2023, matures on March 3, 2026, and has a variable to fixed interest rate swap arrangement of 4.520%.

On March 13, 2023, the Company, through one of its subsidiaries, entered into an interest rate swap with one of the Company's syndicate lenders of the Credit Facility whereby, the parties agreed to exchange at specified intervals, fixed and variable interest amounts calculated by reference to a notional amount of \$25 million. The transaction, effective April 3, 2023, matures on April 3, 2025, and has a variable to fixed interest rate swap arrangement of 3.900%.

The fair value adjustment on the interest rate swaps were \$540,024 and \$nil for the three month period ended September 30, 2023, and 2022, respectively, and \$1,003,687 and \$nil for the nine month period ended September 30, 2023, and 2022, respectively.

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**23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued**

*Fair value of financial instruments - continued*

(ii) Interest rate swaps - continued

The following table is a summary of the interest rate swap agreements and their respective carrying values as of September 30, 2023:

	<u>Maturity date</u>	<u>Fixed rate</u>	<u>Notional amount</u>	<u>Carrying value and fair value</u>
Interest rate swap agreements, as of September 30, 2023				
Interest rate swap agreement	2/27/2026	4.372%	50,000,000	122,793
Interest rate swap agreement	3/3/2026	4.520%	25,000,000	406,417
Interest rate swap agreement	4/3/2025	3.900%	25,000,000	474,477
			<u>\$ 100,000,000</u>	<u>\$ 1,003,687</u>

The valuation of these instruments was determined using discounted cash flow analyses based on the contractual terms of the derivatives, including the period to maturity of each instrument, and uses observable market-based inputs, including interest rate curves and implied volatilities. The fair values determined are based on significant other observable inputs (Level 2). Changes in fair value are recognized as net change in fair value of interest rate swaps in the accompanying consolidated statement of net income and comprehensive income.

The following table summarizes the beginning and ending fair value and the unrealized gain (loss) for the interest rate swaps for the period presented:

	September 30, 2023
Interest rate swaps at January 1, 2023	-
Fair value adjustment on interest rate swaps Jan 1 - Mar 31	(1,600,790)
Interest rate swaps at March 31, 2023	(1,600,790)
Fair value adjustment on interest rate swaps Apr 1 - Jun 30	2,064,453
Interest rate swaps at June 30, 2023	463,663
Fair value adjustment on interest rate swaps Jul 1 - Sep 30	540,024
Interest rate swaps at September 30, 2023	<u>\$ 1,003,687</u>

**24. 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.

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**24. COMMITMENTS AND CONTINGENCIES – continued**

*Commitments*

The Company has 14 ongoing commitments with the remaining balance of \$60,749,687 for the construction of funeral homes and mausoleums, cemetery developments in the United States and a long-term commitment with one of its principal suppliers. To date, the Company spent \$9,784,182 on these commitments.

To remain competitive with low-end providers, effective February 1, 2023, PLC entered into a five-year commitment with one of its principal suppliers to purchase at least \$50,000,000 of burial and cremation products and merchandise, enabling it to attract price conscious consumers focused on comparing prices, and product and service offerings.

On September 19, 2023, the Company entered into a commercial property lease for new corporate head office space in Houston, Texas with an expected commencement date in the third quarter of 2024. The lease is for 135 months and the base rent is approximately \$1,000,000 per annum.

**25. 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.

*Geographic information*

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

	September 30, 2023	December 31, 2022
Canada	\$ 193,183,406	\$ 171,249,043
United States	1,354,561,911	1,306,059,283
Total	<u>\$ 1,547,745,317</u>	<u>\$ 1,477,308,326</u>

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**25. SEGMENTED INFORMATION – continued**

*Geographic information - continued*

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

	September 30, 2023	December 31, 2022
Canada	\$ 199,351,624	\$ 172,678,576
United States	790,441,627	753,033,760
Total	<u>\$ 989,793,251</u>	<u>\$ 925,712,336</u>

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,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue:				
Sales:				
Canada	\$ 8,068,555	\$ 7,348,329	\$ 22,130,158	\$ 21,496,978
United States	75,794,833	69,047,785	226,165,930	207,452,153
Total sales	<u>83,863,388</u>	<u>76,396,114</u>	<u>248,296,088</u>	<u>228,949,131</u>
Income from care and maintenance funds:				
Canada	864,654	924,374	2,819,928	2,816,885
United States	1,435,722	1,572,981	4,727,954	4,173,569
Total income from care and maintenance funds	<u>2,300,376</u>	<u>2,497,355</u>	<u>7,547,882</u>	<u>6,990,454</u>
Interest and other income:				
Canada	87,990	95,142	277,310	266,483
United States	1,252,347	1,882,994	3,393,880	3,760,359
Total interest and other income	<u>1,340,337</u>	<u>1,978,136</u>	<u>3,671,190</u>	<u>4,026,842</u>
Total revenue:				
Canada	9,021,199	8,367,845	25,227,396	24,580,346
United States	78,482,902	72,503,760	234,287,764	215,386,081
Total revenue	<u>\$ 87,504,101</u>	<u>\$ 80,871,605</u>	<u>\$ 259,515,160</u>	<u>\$ 239,966,427</u>
Total net earnings/loss:				
Canada <sup>(1)</sup>	(2,873,991)	(1,189,696)	(8,139,443)	(3,781,995)
United States	6,170,483	6,513,604	19,787,662	23,615,807
Total net earnings/loss	<u>\$ 3,296,492</u>	<u>\$ 5,323,908</u>	<u>\$ 11,648,219</u>	<u>\$ 19,833,812</u>

<sup>(1)</sup> Canada's net loss includes shared based incentive compensation and public company costs.

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**25. SEGMENTED INFORMATION - continued**

*Operating segments*

	<b>Three Months Ended September 30, 2023</b>			
	<b>Cemetery</b>	<b>Funeral Home</b>	<b>Corporate</b>	<b>Total</b>
<b>Revenue</b>				
Sales	\$ 33,011,393	\$ 50,851,995	\$ -	\$ 83,863,388
Income from care and maintenance funds	2,300,376	-	-	2,300,376
Interest and other income	1,139,229	140,644	60,464	1,340,337
<b>Total revenue</b>	<b>36,450,998</b>	<b>50,992,639</b>	<b>60,464</b>	<b>87,504,101</b>
<b>Operating expenses</b>				
Cost of sales	8,732,364	6,747,953	-	15,480,317
General and administrative	8,636,841	27,070,459	-	35,707,300
Maintenance	5,972,837	1,528,870	-	7,501,707
Advertising and selling	4,968,147	2,755,302	-	7,723,449
<b>Total operating expenses</b>	<b>28,310,189</b>	<b>38,102,584</b>	<b>-</b>	<b>66,412,773</b>
<b>Gross profit</b>	<b>8,140,809</b>	<b>12,890,055</b>	<b>60,464</b>	<b>21,091,328</b>
<b>Other expenses</b>				
Corporate general and administrative	-	-	8,610,950	8,610,950
Amortization of intangibles	15,550	364,240	33,394	413,184
Finance costs	17,522	308,004	4,538,200	4,863,726
Fair value adjustment on interest rate swaps	-	-	(540,024)	(540,024)
Share-based incentive compensation	-	-	609,301	609,301
Acquisition and integration costs	14,374	62,129	2,354,075	2,430,578
Other (income) expenses	-	(9,633)	109,199	99,566
<b>Total other expenses</b>	<b>47,446</b>	<b>724,740</b>	<b>15,715,095</b>	<b>16,487,281</b>
<b>Earnings before income taxes</b>	<b>8,093,363</b>	<b>12,165,315</b>	<b>(15,654,631)</b>	<b>4,604,047</b>
Income tax expense	2,185,208	3,284,636	(4,162,289)	1,307,555
<b>Net earnings for the period</b>	<b>\$ 5,908,155</b>	<b>\$ 8,880,679</b>	<b>\$ (11,492,342)</b>	<b>\$ 3,296,492</b>



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**25. SEGMENTED INFORMATION - continued**

*Operating segments - continued*

	<b>Three Months Ended September 30, 2022</b>			
	<b>Cemetery</b>	<b>Funeral Home</b>	<b>Corporate</b>	<b>Total</b>
<b>Revenue</b>				
Sales	\$ 35,349,191	\$ 41,046,923	\$ -	\$ 76,396,114
Income from care and maintenance funds	2,497,355	-	-	2,497,355
Interest and other income	1,812,196	191,020	(25,080)	1,978,136
<b>Total revenue</b>	<b>39,658,742</b>	<b>41,237,943</b>	<b>(25,080)</b>	<b>80,871,605</b>
<b>Operating expenses</b>				
Cost of sales	7,494,235	5,627,938	-	13,122,173
General and administrative	10,503,637	22,745,085	-	33,248,721
Maintenance	5,925,755	1,250,678	-	7,176,433
Advertising and selling	4,870,313	3,111,887	-	7,982,200
<b>Total operating expenses</b>	<b>28,793,940</b>	<b>32,735,588</b>	<b>-</b>	<b>61,529,527</b>
<b>Gross profit</b>	<b>10,864,803</b>	<b>8,502,356</b>	<b>(25,080)</b>	<b>19,342,078</b>
<b>Other expenses</b>				
Corporate general and administrative	-	-	6,376,207	6,376,207
Amortization of intangibles	10,550	118,718	33,394	162,662
Finance costs	126,649	122,698	1,959,954	2,209,301
Share-based incentive compensation	-	-	1,153,906	1,153,906
Acquisition and integration costs	4,418	626,453	1,204,018	1,834,889
Other (income) expenses	-	(14,139)	103,219	89,080
<b>Total other expenses</b>	<b>141,617</b>	<b>853,730</b>	<b>10,830,698</b>	<b>11,826,045</b>
<b>Earnings before income taxes</b>	<b>10,723,186</b>	<b>7,648,626</b>	<b>(10,855,778)</b>	<b>7,516,033</b>
Income tax expense	2,895,260	2,065,129	(2,768,264)	2,192,125
<b>Net earnings for the period</b>	<b>\$ 7,827,926</b>	<b>\$ 5,583,497</b>	<b>\$ (8,087,514)</b>	<b>\$ 5,323,908</b>

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**25. SEGMENTED INFORMATION - continued**

*Operating segments - continued*

	Nine Months Ended September 30, 2023			
	Cemetery	Funeral Home	Corporate	Total
<b>Revenue</b>				
Sales	\$ 98,114,761	\$ 150,181,327	\$ -	\$ 248,296,088
Income from care and maintenance funds	7,547,882	-	-	7,547,882
Interest and other income	2,942,490	551,147	177,553	3,671,190
<b>Total revenue</b>	<b>108,605,133</b>	<b>150,732,474</b>	<b>177,553</b>	<b>259,515,160</b>
<b>Operating expenses</b>				
Cost of sales	24,595,286	20,185,534	-	44,780,820
General and administrative	28,020,831	78,666,582	-	106,687,413
Maintenance	16,169,669	4,481,999	-	20,651,668
Advertising and selling	13,991,945	8,164,656	-	22,156,601
<b>Total operating expenses</b>	<b>82,777,731</b>	<b>111,498,771</b>	<b>-</b>	<b>194,276,502</b>
<b>Gross profit</b>	<b>25,827,402</b>	<b>39,233,703</b>	<b>177,553</b>	<b>65,238,658</b>
<b>Other expenses</b>				
Corporate general and administrative	-	-	23,434,280	23,434,280
Amortization of intangibles	50,270	943,992	100,182	1,094,444
Finance costs	59,640	684,723	11,930,591	12,674,954
Fair value adjustment on interest rate swaps	-	-	(1,003,687)	(1,003,687)
Share-based incentive compensation	-	-	3,779,139	3,779,139
Acquisition and integration costs	33,406	544,038	5,394,688	5,972,132
Other (income) expenses	2,538,755	(14,026)	575,188	3,099,917
<b>Total other expenses</b>	<b>2,682,071</b>	<b>2,158,727</b>	<b>44,210,381</b>	<b>49,051,179</b>
<b>Earnings before income taxes</b>	<b>23,145,331</b>	<b>37,074,976</b>	<b>(44,032,828)</b>	<b>16,187,479</b>
Income tax expense	6,249,239	10,010,244	(11,720,223)	4,539,260
<b>Net earnings for the period</b>	<b>\$ 16,896,092</b>	<b>\$ 27,064,732</b>	<b>\$ (32,312,605)</b>	<b>\$ 11,648,219</b>

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**25. SEGMENTED INFORMATION – continued**

*Operating segments - continued*

	Nine Months Ended September 30, 2022			
	Cemetery	Funeral Home	Corporate	Total
<b>Revenue</b>				
Sales	\$ 102,146,708	\$ 126,802,423	\$ -	\$ 228,949,131
Income from care and maintenance funds	6,990,454	-	-	6,990,454
Interest and other income	3,248,440	547,599	230,803	4,026,842
<b>Total revenue</b>	<b>112,385,602</b>	<b>127,350,022</b>	<b>230,803</b>	<b>239,966,427</b>
<b>Operating expenses</b>				
Cost of sales	22,132,723	17,628,022	-	39,760,745
General and administrative	31,643,816	66,604,554	-	98,248,370
Maintenance	16,847,542	3,752,629	-	20,600,171
Advertising and selling	14,784,035	7,684,141	-	22,468,176
<b>Total operating expenses</b>	<b>85,408,116</b>	<b>95,669,346</b>	<b>-</b>	<b>181,077,462</b>
<b>Gross profit</b>	<b>26,977,486</b>	<b>31,680,676</b>	<b>230,803</b>	<b>58,888,965</b>
<b>Other expenses</b>				
Corporate general and administrative	-	-	18,054,881	18,054,881
Amortization of intangibles	(39,021)	803,075	100,181	864,235
Finance costs	213,037	442,171	4,835,473	5,490,681
Share-based incentive compensation	-	-	3,839,149	3,839,149
Acquisition and integration costs	4,418	824,271	3,762,516	4,591,205
Other (income) expenses	(1,861,230)	9,073	413,736	(1,438,421)
<b>Total other expenses</b>	<b>(1,682,796)</b>	<b>2,078,590</b>	<b>31,005,936</b>	<b>31,401,730</b>
<b>Earnings before income taxes</b>	<b>28,660,282</b>	<b>29,602,086</b>	<b>(30,775,133)</b>	<b>27,487,235</b>
Income tax expense	7,738,276	7,992,563	(8,077,416)	7,653,423
<b>Net earnings for the period</b>	<b>\$ 20,922,006</b>	<b>\$ 21,609,523</b>	<b>\$ (22,697,717)</b>	<b>\$ 19,833,812</b>

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**26. ASSETS HELD FOR SALE**

On October 17, 2023, PLC announced that it has entered into a definitive agreement to divest substantially all of the assets of The Park Lawn Cemetery Company (USA), Inc., PLC Saber Ltd. and PLC Citadel Ltd. The divestiture includes 72 cemeteries in Kentucky, Michigan, North Carolina and South Carolina and 11 funeral homes in Kentucky and North Carolina (the “Disposal Businesses”). The transaction is valued at approximately \$70,000,000 consisting of \$55,000,000 in cash and the remaining \$15,000,000 in deferred compensation, bearing interest at 10% per annum, to be received by PLC within 5 years following the closing of the transaction. Following the receipt of regulatory approval and the satisfaction of customary closing conditions for a transaction of this type, the transaction is anticipated to close prior to year-end 2023.

At September 30, 2023, the Disposal Businesses are classified as assets held for sale.

The major classes of assets and liabilities of the Disposal Businesses are classified as held for sale as at September 30, 2023 are as follows:

	September 30, 2023
<b>Assets:</b>	
Cash	\$ 3,000,000
Accounts receivable	1,155,457
Pre-need receivables	36,268,918
Inventories	20,931,265
Prepaid expenses and other assets	823,686
Land held for development	735,673
Property and equipment	23,465,823
Care and maintenance trust fund investments	40,562,795
Pre-need merchandise and service trust fund investments	82,999,256
Goodwill	66,489,618
Deferred commission	18,690,587
Assets held for sale	<u>\$ 295,123,078</u>
<b>Liabilities:</b>	
Accounts payable and accrued liabilities	\$ 5,297,163
Lease liabilities	49,383
Deferred revenue	79,648,634
Care and maintenance trusts' corpus	40,562,795
Deferred pre-need receipts held in trust	82,999,256
Liabilities directly associated with assets held for sale	<u>208,557,231</u>
<b>Net assets directly associated with disposal group</b>	<u>\$ 86,565,847</u>

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**27. SUBSEQUENT EVENTS**

On October 16, 2023, PLC acquired substantially all the assets of Christy-Smith Funeral Homes located in Sioux City, Iowa (Collectively “Christy-Smith”). The Christy-Smith acquisition expands Park Lawn’s footprint in the Sioux City, Iowa metropolitan market through the addition of two stand-alone funeral homes.

On October 17, 2023, PLC announced that it has entered into a definitive agreement to divest substantially all of the assets of The Park Lawn Cemetery Company (USA), Inc., PLC Saber Ltd. and PLC Citadel Ltd. (see Note 26).

**28. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the September 30, 2023, consolidated statements of earnings.