



**Unaudited Interim Condensed
Consolidated Financial Statements**
For the nine-month periods ended
September 30, 2021 and 2020

Table of Contents

Management’s Responsibility for Financial Reporting.....	3
Unaudited Interim Condensed Consolidated Statements of Financial Position	4
Unaudited Interim Condensed Consolidated Statements of Comprehensive Gain (Loss)	5
Unaudited Interim Condensed Consolidated Statements of Shareholders’ Equity	6
Unaudited Interim Condensed Consolidated Statements of Cash Flows	7
Notes to the Unaudited Interim Condensed Consolidated Financial Statements	8

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements are the responsibility of the Management of Emergia Inc. ("**Emergia**") and have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and where appropriate, include amounts which are based on judgments, estimates and assumptions of Management. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

Management has developed and maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition, and liabilities are recognized.

The Board of Directors of Emergia (the "**Board**") is responsible for ensuring that Management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee (the "**Committee**"). The Committee reviews the consolidated financial statements with Management. The Committee reports its findings to the Board, which approves the consolidated financial statements before their filing.



HENRI PETIT
PRESIDENT AND CHIEF EXECUTIVE OFFICER



RATHA SIV, CPA AUDITOR, CMA
CHIEF FINANCIAL OFFICER

Emergia Inc.

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at September 30, 2021 and December 31, 2020

(in Canadian dollars) as at September 30, 2021

		As at September 30 2021	As at December 31 2020
	Notes	\$	\$
Assets			
Current assets			
Cash		36,027	81,861
Receivables		33,975	147,611
Prepaid and refundable deposits		2,450,691	1,913,545
Total current assets		2,520,693	2,143,017
Non-current assets			
Other receivables	5	2,515,748	2,679,378
Investment properties	6	46,428,424	51,139,051
Land held for development	7	36,483,664	18,115,163
Investment in a joint venture	8	3,514,155	2,664,527
Investment in a private company		250,000	250,000
Property and equipment		2,500	2,500
Total non-current assets		89,194,491	74,850,619
Total assets		91,715,184	76,993,636
Liabilities			
Current liabilities			
Trade and other payables	9	6,208,945	6,520,975
Income tax payable		43,866	43,866
Other current liabilities	10	3,078,954	21,460,185
Current portion of convertible debentures	11	4,773,834	778,033
Current portion of bank mortgages	12	47,370	144,693
Current portion of long-term debt	13	2,251,046	4,393,593
Total current liabilities		16,404,015	33,341,345
Non-current liabilities			
Convertible debentures	11	9,671,254	4,331,070
Bank mortgages	12	2,980,710	4,573,003
Long-term debt	13	26,288,889	7,133,940
Deferred income tax liabilities		375,000	375,000
Total non-current liabilities		39,315,853	16,413,013
Total liabilities		55,719,868	49,754,358
Shareholders' equity			
Share capital	15	80,848,486	73,153,673
Warrants	16	6,179,824	6,113,827
Contributed surplus		1,765,226	264,819
Deficit		(52,798,220)	(52,293,041)
Total shareholders' equity		35,995,316	27,239,278
Total liabilities and shareholders' equity		91,715,184	76,993,636

The notes are an integral part of these consolidated financial statements.

On behalf of the Board of Directors:

(Signed) Joseph Cianci, Director

(Signed) François Castonguay, Director

Emergia Inc.

Unaudited Interim Condensed Consolidated Statements of Comprehensive Gain (Loss) For the nine-month periods ended September 30, 2021 and 2020 (in Canadian dollars except for share amounts)

		For the three-months ended		For the nine-months ended	
	Notes	September 30 2021	September 30 2020	September 30 2021	September 30 2020
		\$	\$	\$	\$
Rental income		104,606	797,540	389,092	2,187,788
Operating expense		62,337	455,596	268,311	1,270,589
Net operating income		42,269	341,944	120,781	917,199
Administrative expenses	17	336,695	673,684	1,760,415	1,697,881
Financing costs	17	593,037	2,005,797	1,716,101	3,750,184
Decrease (increase) in fair value of investment properties	6	-	1,731,346	(1,200,000)	1,731,346
Loss (gain) on sale of properties	6	305	-	(617,919)	-
Share of net (income) loss from joint venture	8	52,316	-	(839,305)	-
Loss (gain) on settlement of current and non-current liabilities	15	-	-	75,912	-
Gain (Loss) before income taxes		(940,084)	(4,068,883)	(774,423)	(6,262,212)
Income taxes					
Net gain (loss) and comprehensive gain (loss) for the year		(940,084)	(4,068,883)	(774,423)	(6,262,212)
Basic and diluted net loss per outstanding common share					
- Basic	18	(0.03)	(0.18)	(0.03)	(0.36)
- Diluted	18	(0.03)	(0.16)	(0.03)	(0.28)
Weighted average number of Outstanding common shares					
- Basic		29,744,701	22,303,253	29,744,701	17,253,903
- Diluted		29,744,701	26,088,128	29,744,701	22,211,042

The notes are an integral part of these consolidated financial statements.

Emergia Inc.

Unaudited Interim Condensed Consolidated Statements of Shareholders' Equity

As at September 30, 2021 and December 31, 2020

(in Canadian dollars except share amounts)

	Share Capital		Warrants	Contributed Surplus	Deficit	Total Equity
	Number of shares	Amount				
	#	\$	\$	\$	\$	\$
Balance on December 31, 2020	24,350,265	73,153,673	6,113,827	264,819	(52,293,041)	27,239,278
Settlement of current and non- current liabilities	1,209,029	944,585	64,856	-	-	1,009,441
Issued under a private placement	1,848,749	1,436,726	1,141	-	-	1,437,867
Issued for consultation services	696,042	513,502	-	-	-	513,502
Issuance of a convertible debenture	-	-	-	1,500,407	-	1,500,407
Issued for an acquisition	4,800,000	4,800,000	-	-	-	4,800,000
Adjustment opening balance	-	-	-	-	269,244	269,244
Net loss and comprehensive loss	-	-	-	-	(774,423)	(774,423)
Balance at September 30, 2021	32,904,085	80,848,486	6,179,824	1,765,226	(52,798,220)	35,995,316
Balance on December 31, 2019	14,619,107	60,216,541	5,069	-	(25,100,379)	35,121,231
Settlement of current and non- current liabilities	9,384,492	12,668,282	6,113,827	-	-	18,782,109
Issued under a private placement	266,666	200,000	-	-	-	200,000
Issued for consultation services	40,000	29,850	-	-	-	29,850
Issuance of a convertible debenture	-	-	-	259,750	-	259,750
Issued as interest on debentures	40,000	39,000	-	-	-	39,000
Warrants expiration	-	-	(5,069)	5,069	-	-
Net loss and comprehensive loss	-	-	-	-	(27,192,662)	(27,192,662)
Balance at December 31, 2020	24,350,265	73,153,673	6,113,827	264,819	(52,293,041)	27,239,278

The notes are an integral part of these consolidated financial statements.

Emergia Inc.

Unaudited Interim Condensed Consolidated Statements of Cash Flows

For the nine-month periods ended September 30, 2021 and 2020

(in Canadian dollars)

		For the three-months ended		For the nine-months ended	
	Notes	September 30 2021	September 30 2020	September 30 2021	September 30 2020
		\$	\$	\$	\$
Operating activities					
Net (gain) loss		(940,085)	(4,068,883)	(774,423)	(6,262,212)
Adjustments for					
Consulting services paid in shares		-	(179,400)	-	25,000
Decrease (Increase) in fair value of convertible debentures		-	202,469	-	321,438
Decrease (Increase) in fair value of investment properties	6	-	1,731,347	(1,200,000)	1,731,347
Loss (gain) on sale of properties	6	305	-	(617,919)	-
Share of net income from joint venture	8	52,316	-	(839,305)	-
Loss (gain) on settlement of current and non-current liabilities	15	-	-	75,912	-
		(887,464)	(2,314,467)	(3,355,735)	(4,184,427)
Changes in working capital items	20	(1,682,132)	(2,982,905)	(571,910)	(3,303,553)
Cash flows from operating activities		(2,569,596)	(5,297,372)	(3,927,645)	(7,487,980)
Investing activities					
Investment in a Joint venture		-	(2,651,581)	-	(2,651,581)
Proceeds on disposal of Investment properties	6,14	1,747,208	9,000,000	1,747,208	9,000,000
Proceeds on disposal of assets held for sale		-	100,000	-	100,000
Additions to land held for development	7,13,14,15,16	-	-	(8,753,680)	-
Cash flows from investing activities		1,747,208	6,448,419	(7,006,472)	6,448,419
Financing activities					
Credit line		-	-	-	(3,950,000)
Issuance of units	15	59,272	6,983,592	1,436,726	6,983,592
Convertible debentures	14	10,500,000	-	10,500,000	4,520,000
Repayment of convertible debentures	14	-	-	(542,800)	(100,000)
Other current liabilities	14	-	1,763,307	800,000	3,555,249
Repayment of other current liabilities	14	(799,998)	(3,570,026)	(1,628,100)	(3,587,059)
Bank mortgages		-	-	-	-
Repayment of bank mortgages	14	(31,444)	(5,224,706)	(75,241)	(5,369,349)
Long-term debt	14	(8,775,000)	129,599	575,000	540,401
Repayment of long-term debt	14	(171,539)	(1,330,000)	(177,302)	(1,475,387)
Cash flows from financing activities		781,291	(1,248,234)	10,888,283	1,117,447
Net change in cash		(41,097)	(97,187)	(45,834)	77,886
Cash (bank overdraft), beginning of year		77,124	131,390	81,861	(43,683)
Cash (bank overdraft), end of year		36,027	34,203	36,027	34,203

The notes are an integral part of these consolidated financial statements.

Emergia Inc.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 1 – Information on the Corporation

Emergia Inc. together with its subsidiaries (together referred to as "**Emergia**" or the "**Corporation**") operates in the development, acquisition and management of multi-purpose real-estate properties, including retail, multi-residential, office and industrial buildings. The Corporation also holds land for future development.

Emergia was incorporated on April 7, 2014 under the laws of the province of British Columbia, and is governed, since January 19, 2018, by the *Canada Business Corporations Act*. On March 23, 2018, Emergia became a publicly listed company on the Canadian Securities Exchange ("**CSE**") under the name "The Delma Group Inc." and the symbol "DLMA.CN" through a reverse takeover transaction by Aydon Income Properties Inc. On January 21, 2020, the Corporation changed its name for "EMERGIA Inc." and its ticker symbol for "EMER".

The principal address and records office of the Corporation is located at 402 – 185 Avenue Dorval, Dorval, Quebec, Canada H9S 5J9.

Note 2 – Statement of Compliance, Going Concern, Judgments and Estimation Uncertainty

A. Statement of Compliance

The unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2021 have been prepared in accordance with IAS 34, Interim Financial Reporting.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Corporation's annual audited consolidated financial statements for the year ended December 31, 2020 (the "**Annual Financial Statements**") which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

These unaudited interim condensed consolidated financial statements were approved and authorized for issuance by the Corporation's Board of Directors on November 29, 2021.

B. Going Concern

These unaudited condensed consolidated financial statements have been prepared on a going concern basis, which presumes that the Corporation will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of its operations.

Emergia Inc.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 2 – Statement of Compliance, Going Concern, Judgments and Estimation Uncertainty (Continued)

As at September 30, 2021, the Corporation has started to improve the profitability of its operations with a net loss of \$774,423 for the nine-months ended September 30, 2021 compared to a net loss of \$6,262,212 for the nine-months ended September 30, 2020 and compared to a net loss of \$27,148,796 for the year ended December 31, 2020.

The Corporation's ability to continue as a going concern is dependent upon its ability to raise sufficient equity or other forms of financing and to realize its assets and discharge its liabilities in the normal course of its operations in order to complete its contemplated business plan and ultimately achieve profitable operations. The significant reduction in the losses during the current year to date along with the extension of the debt related to the Bromont land and reclassification of such debt as long-term debt place the Corporation in a more favorable position financially which should therefore enhance its financing options in the future. The ongoing fund-raising transactions detailed in Note 25 (Subsequent Events) and other alternative fundings as described below will ensure the Corporation's solvency, with the capital raised, the settlement of debts that are past due, the repayment schedule of any new debts and cash on hand. From July 2020 to September 30, 2021, the Corporation closed private placements of units for an aggregate amount of \$10,207,394 (mainly in debt conversion and partly in cash). Since September 30, 2021, the Corporation has undertaken a private placement of \$5 million of convertible debentures, \$3,000,000 of which has closed as of the date these unaudited condensed financial statements were approved. In addition to ongoing discussions with interested investors, management pursues other financing alternatives to fund the Corporation's operations, including potential agreements with current lenders and creditors for share-based payments and debt conversions. While the Corporation is continuing to execute its plan of improving its financial position, improving its profitability and raising funds, there exists uncertainties that may cast significant doubt regarding the Corporation's ability to continue as a going concern.

These unaudited interim condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Corporation's going concern assumption not be appropriate. While management has been successful in obtaining sufficient funding for its operating and capital requirements in the past, there is no assurance that additional funding will be available to the Corporation, when required, or on terms which are acceptable to management including any financing currently being negotiated.

C. Significant Accounting Estimates, Assumptions and Judgments

There have been no significant changes to the Corporation's critical accounting judgments, estimates and assumptions made since our annual financial reporting for the year ended December 31, 2020.

Note 3 - Significant Accounting Policies

As of September 30, 2021, there have been no material changes to the significant accounting policies as outlined in Note 3 of the 2020 Annual Financial Statements. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Emergia Inc.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 4 - Transactions

Acquisition and disposal of Investment properties in 2021

a) Disposal of 9700 St-Laurent Blvd., Montreal, Canada

In the second quarter, the Corporation disposed of 9700 St-Laurent for the proceed of \$1,550,000, generating a profit of \$150,000. The proceeds were used to repay the associated mortgage, and payables, and liabilities.

b) Disposal of 475-489 Le Breton and 505-531 Le Breton, Longueuil, Canada

In the second quarter, the Corporation disposed of 475-489 and 505-531 Le Breton for the total proceeds of \$3,665,000, generating a profit of \$468,224. The proceeds were used to repay the associated mortgage, and payables and liabilities.

c) Disposal of 860 Cite-des-Jeunes, St-Lazare, Canada

In the third quarter, the Corporation disposed of 860 Cité-des-Jeunes, for the proceed of \$1,380,000, generating a loss of \$2,236, or a net loss of \$305 after some minor adjustment related to the transaction costs. The proceeds were used to repay the associated mortgage, and payables and liabilities.

d) Acquisition of three Lands in Bromont

In the second quarter, the Corporation bought three lands from the City of Bromont at the cost of 1\$. As of September 30, 2021, the Corporation estimated the fair value of one of the three lands, using the criteria set out by a third-party appraisal for the same type of transactions, to be approximately \$1,200,000.

e) Acquisition of land in Alliston

On May 3, 2021, the Corporation purchased a land of approximately 100 acres in Alliston, Ontario for a purchase price of \$14.4 million (excluding closing costs and land transfer tax). The acquisition of the land was done at arm's length and the purchase price was paid as follows: (i) \$9,600,000 in cash and (ii) \$4,800,000 in Class A shares of the Corporation of which 300,000 have been issued and 4,500,000 are reserved for issuance (**Note 15 – Share Capital**) upon receipt of the allocation of such shares between the vendors. To satisfy a portion of the purchase price, the Corporation entered into a financing of \$9,000,000 through two convertible debenture subscription agreements at an interest rate of 6% per year payable at maturity on March 10, 2023 (**Note 11 – Convertible Debentures**), plus a participation in the profits of the project. The amount includes the conversion of an existing \$0.5M long-term debt in 2020.

Emergia Inc.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 4 – Transactions (Continued)

Disposal of Investment properties in 2020

f) Transfer of assets in a joint venture

On September 4, 2020, the Corporation entered into a joint venture agreement to own and develop some of its investment properties. The joint venture was formed in a separate legal entity, 12028735 Canada Inc. On September 4, 2020, the Corporation sold to the JV its 185, Dorval Avenue property at a price of \$9,000,000 in exchange of 2,651,581 Class “A” common shares of 12028735 Canada Inc. and the transfer of the following liabilities: bank mortgages of \$4,777,500, long-term debt of \$1,150,000 and accounts payable and accrued liabilities of \$420,920. The Corporation benefits of an option to buy-back all the shares of the partner in the JV at any time during a period of 3 years from the date of closing. The Corporation remains in charge of the management and development of the property in virtue of a management contract.

g) Land in Levis.

On November 11, 2020, the Corporation entered into an agreement with a senior lender for the repayment of a \$3,500,000 term loan, related accrued interest, financing costs and taxes in the amount of \$2,429,783 by handing over, on December 31, 2020, the mortgaged land in Levis. The agreement also considered the right for the Corporation to buy-back the property at the earliest of 12 months following January 1, 2021 or ten (10) business days following the receipt of a bona fide not at arms length offer by a third-party to the Lender.

The Lender also assumed payment of other current liabilities of \$250,000 and accrued liabilities related to the property of \$509,549.

h) Disposal of 9307-9077 Québec Inc.

On December 31, 2020, the Corporation entered into an agreement to dispose of its subsidiary 9307-9077 Quebec Inc. which includes the 1221-1225 St-Jean-Baptiste, 610-640 Orly and 2001 Chemin Oka properties for gross proceeds of \$330,735 which are receivables as at December 31, 2020 (note 6). A gain on disposal of a subsidiary of \$171, 248 was realized on this transaction.

i) Disposal of 9371-9904 Quebec Inc.

On December 31, 2020, the Corporation entered into an agreement with respect to selling its shares of 9371-9904 Quebec Inc. and related 395-425 Des Erables property for gross proceeds of \$2,348,643 which are receivables as at December 31, 2020 (note 6). A gain on disposal of a subsidiary of \$270,980 was realized on this transaction

j) 117, Lepine, Gatineau

On October 22, 2020, the Corporation entered into an agreement with lenders for the reimbursement of \$3,880,000 loans and related accrued interest of \$255,918 by transferring the 117, Lepine property.

Emergia Inc.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 4 – Transactions (Continued)

Overall impacts of these Investment properties transactions on the financial statements were as follows:

	As at December 31 2020
	\$
Balance of sale receivable	2,679,378
Investment properties	(41,785,251)
Investment in a joint venture	2,651,581
Bank mortgages	(14,757,514)
Other current liabilities	(4,781,217)
Long-term debt	(6,129,302)
Trade and other payables	(4,689,378)
Gain on disposal of subsidiaries	442,228
Loss on settlement of long-term debt	(4,225,027)
Loss on settlement of other current liabilities	(2,314,082)

Note 5 - Other Receivables

The other receivables are composed of the balance of sale detailed as follows:

	As at September 30 2021	As at December 31 2020
	\$	\$
Balance of sale	167,105	330,735
Balance of sale, 5% interest starting January 1, 2022, maturing in December 2022	2,348,643	2,348,643
	2,515,748	2,679,378
Current portion of balance of sale	-	-
Non-current portion of balance of sale	2,515,748	2,679,378

Emergia Inc.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 6 - Investment Properties

A reconciliation of the Investment properties is as follows:

	Notes	As at September 30 2021	As at December 31 2020
		\$	\$
Balance, beginning of the year		51,139,051	96,140,545
Disposal of 9700 St-Laurent Blvd., Montreal, Canada	4a	(1,400,000)	-
Disposal of 475-489 Le Breton and 505-531 Le Breton, Longueuil, Canada	4b	(3,196,776)	-
Disposal of 860 Cite-des-Jeunes, St-Lazare, Canada	4c	(1,382,236)	-
Transfer of assets in a joint-venture	4f	-	(9,000,000)
Disposal of 9307-9077 Quebec Inc.	4h	-	(7,995,892)
Disposal of 9371-9904 Quebec Inc.	4i	-	(7,425,000)
Settlement of liabilities	4g, 4j	-	(17,364,358)
Other acquisitions	4d	1	-
Decrease (Increase) in fair value of investment properties	4d	1,200,000	(2,383,001)
Borrowing costs		40,929	783,992
Development costs		27,455	-
Reclassified as land in development		-	(1,617,235)
		46,428,424	51,139,051

The Investment properties are composed of the following:

	Notes	As at September 30 2021	As at December 31 2020
		\$	\$
Land in Bromont, Canada ^{a)}		35,538,736	34,330,751
9700 St-Laurent Blvd. Montreal, Canada	4a	-	1,400,000
475-489 Le Breton and 505-531 Le Breton, Longueuil, Canada	4b	-	3,196,775
860 Cite-des-Jeunes, St-Lazare, Canada	4c	-	1,329,441
472-474 Knowlton, Lac Brome, Canada		2,968,054	2,968,054
121 Lepine, Gatineau, Canada		4,570,000	4,570,000
Panagopoula Resort, Panagopoula, Greece		1,650,000	1,650,000
Land in Blainville, Canada		1,701,634	1,694,030
		46,428,424	51,139,051

^{a)} This land was evaluated by a third-party valuator in May 2021.

Emergia Inc.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 6 - Investment Properties (Continued)

Valuation process

Fair value of the Corporation's investment properties is estimated based on appraisals performed by independent, professionally qualified property valuers or internal valuations. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the board of directors at each reporting date.

The fair value is categorized in Level 2 (Note 22). The appraisals for each of the investment properties at fair value were carried out using a market approach or an income approach, depending on the intended use of the property. The market approach reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plot size, location and current use. The extent and direction of this adjustment depends on the number of characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. The income approach is based on the estimated net income derived from the property. Although this is a subjective judgment, management considers that the overall valuation could not be materially affected by reasonably possible alternative assumptions. As at September 30, 2021 and December 31, 2020, there was no significant change in the fair value of the remaining investment properties.

Minimum lease payments receivable

The lease contracts are all non-cancellable for 1 to 10 years from the commencement of the leases. Future minimum lease rentals are as follows:

	As at September 30 2021	As at December 31 2020
	\$	\$
Within 1 year	408,857	613,931
1 to 5 years	1,734,242	1,215,416
After 5 years	296,205	241,817
	2,439,304	2,071,164

Emergia Inc.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 7 – Land Held for Development

A reconciliation of the Land held for development is as follows:

	Notes	As at September 30 2021	As at December 31 2020
		\$	\$
Balance, beginning of the year		18,115,163	13,359,986
Acquisition of the Land in Alliston	4e	15,136,912	-
Borrowing costs		3,165,609	3,122,042
Development costs		65,980	15,989
Reclassified from Investment Properties		-	1,617,146
		36,483,664	18,115,163

The Land held for development is composed of the following:

	Notes	As at September 30 2021	As at December 31 2020
		\$	\$
Land in Bromont, Canada ^{a)}	4d	20,698,846	18,115,163
Land in Alliston, Canada ^{b)}	4e	15,784,818	-
		36,483,664	18,115,163

^{a)} This land was evaluated by a third-party valuator in May 2021.

^{b)} This land was evaluated by a third-party valuator in March 2021.

Emergia Inc.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 8 - Investment in Joint Venture

The Corporation has ownership interest in the following joint venture (refer to Note Transactions 4f.):

	As at September 30 2021	As at December 31 2020
12028735 Canada Inc.	50%	50%

The following table shows the changes in the carrying value of Emergia's investment in joint venture for the nine-month period ended September 30, 2021:

	As at September 30 2021	As at December 31 2020
	\$	\$
Beginning balance	2,664,527	-
Adjustment of beginning balance ^{a)}	10,323	-
Contributions	-	2,651,581
Share of net income	839,305	12,946
Ending balance	3,514,155	2,664,527

^{a)} To adjust for the capitalisation of the construction of Phase 2, 185 Dorval incurred in previous year (2020).

Summarized financial information of the joint venture as at September 30, 2021 is as follows:

	As at September 30 2021	As at December 31 2020
	\$	\$
Current assets	954,836	1,249,387
Non-currents assets	15,578,086	13,163,000
Current liabilities	214,112	148,686
Non-current liabilities	9,290,500	8,940,500
Revenues	638,381	193,316
Change in fair value of Investment properties ^{a)}	2,000,000	-
Net income and comprehensive income for the period	1,678,610	25,892

^{a)} To adjust for the fair-value done by a third-party valuator in May 2021

Emergia Inc.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 9 - Trade and Other Payables

	As at September 30 2021	As at December 31 2020
	\$	\$
Trade payables and accrued liabilities	6,004,249	6,173,732
Interest payable on other current liabilities and long-term debt	196,264	347,243
Deposits and other payables	8,432	-
	6,208,945	6,520,975

Note 10 - Other Current Liabilities

	As at September 30 2021	As at December 31 2020
	\$	\$
Loan, 13.8%, secured by 121 Lepine and a guarantee from a director	668,912	500,000
Promissory notes, 10%	617,689	576,312
Loan, 15%, secured by Land in Bromont and Land held for development and a guarantee from a director	-	17,947,048
Loan, 8%, secured by a guarantee from a company controlled by a director	566,826	850,349
Loan from a company controlled by a director, 12%	469,084	330,044
Loans, 10%	254,667	254,667
Loan, 10% secured by 472 Chemin Knowlton and a guarantee from a director	200,000	200,000
Advances from a company controlled by a director, 10%	105,000	105,000
Loans, 12%	100,000	100,000
Advances from companies controlled by a director, 9% and 10%	96,775	96,765
Loan, 20%, secured by a company controlled by a director, maturing in December 2021, convertible into Units at a conversion price of \$0.75 per unit, each unit comprising 1 common share and 1 warrant	-	500,000
	3,078,954	21,460,185

Unless otherwise indicated, other current liabilities are payable on demand.

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 11 - Convertible Debentures

	Notes	As at September 30 2021 \$	As at December 31 2020 \$
Convertible debenture, 6%, secured by the land in Alliston, convertible into class A shares at a price of \$1.00 per share, maturing in May, 2023	4e, 11a	8,016,407	-
Convertible debentures, face value of \$4,420,000, 12%, secured by a hypothec over specific assets, convertible into common shares at \$1.00 per share, matures in January 2022	11b	3,839,612	4,231,070
Convertible debentures, face value of \$1,500,000, 20% and 24%, secured by a hypothec over specific assets, convertible into common shares at \$1.00 per share, matures from April 2022 to July 2022.	11c	1,654,847	-
Convertible debentures, 10%, secured by all present and future residential properties of the Corporation, payable along with the promissory notes listed into Other current liabilities by monthly installments of \$100,000 and in full by December 31, 2020. On April 21, 2021, the maturity date was amended to December 31, 2021		836,226	778,033
Convertible debenture, 12%, unsecured, convertible into Units at the lesser of \$0.75 or the price of most recent financing, matures on June 14, 2022		97,996	100,000
		14,445,088	5,109,103
Current portion		4,773,834	778,033
		9,671,254	4,331,070

- a) In the second quarter, in order to acquire the Alliston land, the Corporation entered into two similar convertible debenture agreements with the total face values of \$9M, which includes the conversion of an existing \$0.5M long-term debt in 2020. The fair values of the convertible debenture were allocated between the debenture and the derivative financial instrument related to the conversion feature. The debentures, with 6% coupon rate, were estimated using an effective discounted rate of 15%. At inception, fair value calculations resulted in an allocation of \$7,376,964 for the convertible debentures and \$1,623,036 to the conversion option, which was classified as equity within the contributed surplus.

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 11 - Convertible Debentures (Continued)

- b)** In March 2020, the Corporation entered into a subscription agreement with a private investor who has agreed to provide funding of \$4,420,000 by way of a secured convertible debenture to reimburse the Corporation's line of credit and to settle outstanding debt of the Corporation. The debenture has a maturity date of January 31, 2022 and bears interest at a rate of 12% per annum, payable at maturity. The debenture and the interest are convertible into common shares of the Corporation at a conversion price of \$1.00 per Common Share. The debenture is secured by a hypothec over the land in Blainville and the property located at 472, Knowlton Road in Lac Brome. The debenture may be reimbursed at any time until maturity without any penalty, provided a 30-day notice is given to the investor to allow him to exercise his conversion right, should he decide to do so. In the event the investor decides to exercise its conversion right, 4% interest on such amount will be forfeited by the investor.

In May 2021, the Corporation partially repurchased \$1,250,000 of the debenture, and the payment was made in June 2021. The agreement permits the Corporation to early redeem at anytime until maturity. The early redemption was first allocated to the accrued interest payable of \$707,200, and \$542,800 to the principal. The Corporation allocated the previous carrying amount of the financial liability between the part that continues to be recognised and the part that is derecognised based on the relative fair values of those parts on the date of the repurchase.

According to IFRS 9, the Corporation has the choice to record the difference between the carrying amount allocated to the part derecognised and the consideration paid for the part derecognised, either as a gain or loss in the income statement or as an element of other comprehensive income through contributed surplus. The Corporation recorded that difference in other comprehensive income.

- c)** In the third quarter, the Corporation finalised a series of three one-year term convertible debenture agreements with a private investor with the total face values of \$1.5M. The fair values of the convertible debentures were allocated between the debentures and the derivative financial instrument related to the conversion feature. The debentures were estimated using an effective discounted rate of 15% whereas the coupon rates range from 20% to 24%. At inception, fair value calculations resulted in an allocation of \$1,567,946 for the convertible debentures and a negative amount of -\$67,946 to the conversion option, which was classified as equity within the contributed surplus.

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 12 - Bank Mortgages

	Note	As at September 30 2021	As at December 31 2020
		\$	\$
Term loan, 3.85%, capital and interest payable in monthly payments of \$17,094, maturing in November 2022, secured by 121 Lepine and a guarantee from a director		3,028,080	3,094,091
Term loan, 3.88%, capital and interest payable in monthly payments of \$9,815, secured by 475-489 Le Breton, 505-531 Le Breton and a guarantee from two third parties, maturing in April 2022	4b	-	1,623,605
		3,028,080	4,717,696
Current portion		47,370	144,693
		2,980,710	4,573,003

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 13 - Long-Term Debt

	Notes	As at September 30 2021 \$	As at December 31 2020 \$
Loan, 15%, secured by Land in Bromont and Land held for development and a guarantee from a director		20,063,922	-
Advances, 9%, secured by Land in Bromont, maturing in March 2023		5,154,256	4,819,926
Advances from a company controlled by a director, 9%, secured by Land in Bromont and Land held for residential development, maturing in December 2022		1,137,849	1,064,044
Term loan, 10%, secured by land in Bromont and a guarantee from a director, maturing in June 2022		1,226,046	2,163,697
Advances from the joint venture		682,862	304,442
Term loan, 8%, secured by 472 Knowlton and guaranteed by a director, maturing in June 2022		225,000	350,000
Advances, maturing in June 2023		50,000	-
Term loan, 11.5%, secured by 9700 St-Laurent and by a guarantee from a director and a third party, maturing in May 2021	4a	-	1,000,000
Term loan, 12%, secured by 475-489 and 505-531 Le Breton a guarantee from a director, maturing in February 2022	4b	-	1,250,000
Term loan, 12%, maturing in June 2022	4c	-	143,424
Term loan, 10%, secured by 860 Cité-des-Jeunes and by a guarantee from a director, matured in December 2020, payable on demand	4c	-	412,500
Advances, 12% matured in December 2021		-	19,500
		28,539,935	11,527,533
Current portion		2,251,046	4,393,593
		26,288,889	7,133,940

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 14 - Reconciliation of liabilities arising from financing activities

A change in the Corporation's liabilities arising from financing activities can be classified as follows:

September 30, 2021			\$
	Short-term borrowings	Long-term borrowings	Total
Balance, beginning of year	22,238,218	20,596,299	42,834,517
Cash			
Repayment	(1,628,100)	(795,343)	(2,423,443)
New borrowings	800,000	11,075,000	11,875,000
Non-Cash			
Settlement into class "A" shares	-	(219,500)	(219,500)
Settlement from asset transactions	-	(5,401,875)	(5,401,875)
Non-cash interest	373,919	2,917,254	3,312,769
Conversion option	-	(885,411)	(885,411)
		18,705,081	-
Reclassification	(18,705,081)		
Balance, ending of year	3,078,954	46,013,103	49,092,057

December 31, 2020			\$
	Short-term borrowings	Long-term borrowings	Total
Balance, beginning of year	37,844,458	29,757,423	67,601,881
Cash			
Repayment	(5,655,445)	(1,400,932)	(7,056,377)
New borrowings	500,000	7,155,996	7,655,996
Non-Cash			
Settlement into class "A" shares	(3,366,101)	(254,795)	(3,620,896)
Settlement from asset transactions	(4,781,217)	(20,866,816)	(25,648,033)
Non-cash interest	3,580,463	581,233	4,161,696
Conversion option	-	(259,750)	(259,750)
Reclassification	(5,883,940)	5,883,940	-
Balance, ending of year	22,238,218	20,596,299	42,834,517

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 15 - Share Capital

The Corporation's authorized share capital is as follows:

Unlimited number of common shares as follows:

- Class "A" common shares, conferring 1 vote per share; and
- Class "B" common shares, conferring 100 votes per share, automatically converted into Class "A" common shares on March 23, 2023 and convertible at the option of the holder at any time, on a basis of 1 Class "A" common share for 1 Class "B" common share.

Unlimited number of preferred shares issuable in one or more series, having no voting rights, as follows:

- Class "C" preferred shares; and
- Class "D" preferred shares.

Shares issued and outstanding were as follows:

	September 30, 2021		December 31, 2020	
	Number	\$	Number	\$
Class "A" common shares	28,393,194	74,695,200	19,839,374	67,000,387
Class "B" common shares	4,510,891	6,153,286	4,510,891	6,153,286
	32,904,085	80,848,486	24,350,265	73,153,673

During the period, the Corporation issued Units (the "Units") at a price of \$0.76 and \$0.78 per Unit and reserved for issuance Units at a price of \$0.68, each Unit being composed of one Class "A" Common Share in the capital of the Corporation and a Common Share purchase warrant entitling the holder to purchase one Common Share at a price of \$1.25 per Common Share until October 31, 2023.

As at September 30, 2021, 3,459,702 Units were issued for a total of \$2,694,813 consisting of \$1,436,726 paid in cash, \$944,585 for accounts payable and debt settlement, \$313,502 as payment for consultation services. 294,118 Units were reserved for issuance, at a unit price of \$0.68, as a payment of a consultation service which is amounted to \$200,000. In addition to these above, 300,000 Common Class A Shares were issued at a total price of \$300,000 as payment for the acquisition of the land in Alliston while 4,500,000 Common Class A Shares were reserved for issuance at the same price of one dollar per share.

The settlement of those current and non-current liabilities resulted in an increase of \$2,994,813 in Common shares, \$65,997 in Warrants and \$75,912 in loss from the settlement of current and non-current liabilities.

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 16 - Warrants

The following is a continuity of the warrants outstanding and exercisable as at September 30, 2021:

		As at September 30, 2021		As at December 31, 2020	
		Weighted Average		Weighted Average Exercisable	
		Exercisable Price		Price	
Expiration date		Number	\$	Number	\$
Beginning balance		9,651,158	1.25	15,000	2.00
Issuance of warrants	December 31, 2021	1,059,541	1.25	9,651,158	1.25
Issuance of warrants	December 31, 2022	2,402,761	1.25	-	-
Issuance of warrants	October 31, 2023	294,118^{a)}	1.25	-	-
Expiration of warrants		-	-	(15,000)	2.00
		13,407,578	1.25	9,651,158	2.00

^{a)} Warrants reserved for issuance, along with 294,118 Class A reserved shares, as a payment for a consultation service which is amounted to \$200,000 (refer to Note 15)

The weighted average remaining contractual life for the warrants outstanding as of September 30, 2021 was 1.5 year.

The Corporation deems the Black-Scholes pricing model appropriate to calculate the fair value of these warrants, considered as equity instruments, and uses the following compounded values of a share price at the time of issuance of \$0.98, exercise price of \$1.25, risk free rate of 0.94%, volatility of 53%, vesting immediately, and life of 0.9 year from date of grant resulting in a fair value of the warrant of \$0.46. The expected underlying volatility was based on the historical data of the Corporation's shares over a period equivalent to the expected average life of the warrants.

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 17 - Additional Information – Comprehensive Loss

Administrative expenses are composed of the following:

	For the three-months ended		For the nine-months ended	
	September 30	September 30	September 30	September 30
	2021	2020	2021	2020
	\$	\$	\$	\$
Consulting fees	284,105	472,376	1,413,195	1,012,487
Management fees	2,828	176,308	89,760	370,328
Professional fees	49,762	25,000	257,460	315,066
	336,695	673,684	1,760,415	1,697,881

Financing costs are composed of the following:

	For the three-months ended		For the nine-months ended	
	September 30	September 30	September 30	September 30
	2021	2020	2021	2020
	\$	\$	\$	\$
Interest	360,228	1,013,002	1,151,820	2,453,803
Change in fair value of the convertible debenture	-	(250,653)	-	(321,438)
Financing and other fees	232,809	1,243,448	564,281	1,617,819
	593,037	2,005,797	1,716,101	3,750,184

Note 18 - Net Gain (Loss) per Share

The calculation of basic net loss per share at September 30, 2021 was based on the loss attributable to common shareholders which corresponds to the loss for the year of \$774,423 (September 30, 2020 – loss of \$6,262,212) and a weighted average number of common shares of 29,744,701 (September 30, 2020 – 17,253,903).

The calculation of diluted net loss per share on September 30, 2021 is the same as the basic net loss per share as all conversion option of the debentures, stock options and warrants had an anti-dilutive effect (September 30, 2020 – dilutive shares 22,211,042).

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 19 - Related Party Transactions

Related parties include the Corporation's key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives.

The remuneration of key management personnel includes the following:

	For the three-months ended		For the nine-months ended	
	September 30	September 30	September 30	September 30
	2021	2020	2021	2020
	\$	\$	\$	\$
Management fees	312,100	199,808	679,600	569,808

Furthermore, the Corporation had the following operations with one company controlled by a director and with one company controlled by an officer:

	For the three-months ended		For the nine-months ended	
	September 30	September 30	September 30	September 30
	2021	2020	2021	2020
	\$	\$	\$	\$
Consulting fees and professional fees	102,506	47,331	247,264	232,933
Financing fees	96,660	193,331	269,850	504,436

The Corporation has the following trade and other payables with related parties:

	As at	As at
	September 30	December 31
	2021	2020
	\$	\$
Companies controlled by directors and officers	3,707,655	3,369,252
Accrual compensation of directors and officers	360,496	592,608

The Corporation has additional loans and advances with related parties disclosed in Notes 9, 10 and 13. The Corporation accrues a fee of 2% for the personal guarantees given by a director on the Corporation's secured liabilities. The expense related to this fee is presented within financing costs.

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 20 - Additional Information – Cash Flow

The changes in working capital items are detailed as follows:

	As at September 30 2021	As at December 31 2020
	\$	\$
Receivables and other receivables	277,266	342,096
Prepays and refundable deposits	(537,146)	(648,207)
Advances	-	32,381
Trade and other payables	(312,030)	5,057,995
Income tax payable	-	43,866
	(571,910)	4,828,131
Additional cash flow information:		
Interest paid	810,622	1,294,033
Additions to investment properties included in trade and other payables	27,455	4,150,257
Additions to land held for residential development included in trade and other payables	65,979	3,464,299

Note 21 - Financial Assets and Liabilities

The carrying amounts and fair values of financial assets and financial liabilities in each category are as follows:

	September 30, 2021		December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Financial assets at amortized cost				
Cash	36,027	36,027	81,861	81,861
Receivables and other receivables	2,549,723	2,549,723	2,826,989	2,826,989
Refundable deposits	2,450,691	2,450,691	1,540,604	1,504,640
	5,036,441	5,036,441	4,449,454	4,413,490
Financial assets at FVTPL				
Receivables and other receivables	250,000	250,000	250,000	250,000
Total financial assets	5,286,441	5,286,441	4,699,454	4,663,490
Financial liabilities				
Financial liabilities at amortized cost				
Trade and other payables	6,208,945	6,208,945	6,250,975	6,250,975
Other current liabilities	3,078,954	3,078,954	21,460,485	21,460,485
Bank mortgages	3,028,080	3,028,080	4,717,696	4,717,696
Long term debt	28,539,935	28,539,935	11,527,533	11,527,533
Convertible debentures	14,445,088	14,445,088	5,109,105	5,109,105
Total financial liabilities	55,301,002	55,301,002	49,065,794	49,065,794

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 21 - Financial Assets and Liabilities (Continued)

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The net carrying amounts of cash, receivables and other receivables, refundable deposits, advances to companies under common control, other advance receivables, bank overdraft, credit line, trade and other current liabilities are considered a reasonable approximation of fair value since all amounts are short-term in nature. The estimated fair value of the bank mortgages and long-term debts was calculated based on the discounted value of future payments using interest rates that the Corporation could have obtained as at the reporting date for similar instruments with similar terms and maturities. The fair value of the bank mortgages and long-term debts is equivalent to its carrying amount and is categorized in Level 2.

Note 22 - Financial Instrument Risk

The Corporation is exposed to various risks in relation to financial instruments.

The main types of risks are market risk, credit risk and liquidity risk. The following analysis enables users to evaluate the nature and extent of the risks at the end of the reporting period.

Market risk

The Corporation is exposed to market risk through its use of financial instruments and specifically to interest rate risk and other price risk which result from its financing and investing activities.

The Corporation is exposed to interest rate risk on its other current liabilities and its fixed rate and variable rate bank mortgages and long-term debt financings. As at September 30, 2021 and December 31, 2020 bank mortgages, convertible debentures, long-term debts and other current liabilities are at fixed interest rates and subject the Corporation to a fair value risk (certain bank mortgages, other current liabilities and long-term debt in 2019). As at September 30, 2021 and December 31, 2020, certain long-term debts are at variable interest rates and subject the Corporation to cash flow risks. Variations in the interest rate would not affect profit or loss significantly.

The Corporation is exposed to other price risk in respect to its investments in a private company. The exposure is not significant.

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 22 - Financial Instrument Risk (Continued)

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Corporation. The Corporation is exposed to credit risk from financial assets including cash, receivables and other receivables, advances to companies under common control and other advance receivables. The maximum exposure as at September 30, 2021 and December 31, 2020 is the carrying amount of these instruments, the credit risk is not significant.

Liquidity risk

Liquidity risk is the risk that the Corporation might be unable to meet its obligations as they come due. The Corporation manages its liquidity needs by monitoring scheduled debt servicing payments for short and long-term liabilities as well as forecasting cash inflows and outflows due in day-to-day business. The data used for analyzing these cash flows is consistent with that used in the contractual maturity analysis below.

The Corporation's funding is provided in the form of short and long-term debts as well as the issuance of shares. The Corporation assesses the liquidity risk as high.

As at September 30, 2021 and December 31, 2020, the Corporation's financial liabilities have contractual maturities as summarized below:

September 30, 2021					\$
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years	
Trade and other payables	6,208,945	-	-	-	-
Other current liabilities	3,078,954	-	-	-	-
Convertible debentures	-	4,773,834	9,671,254	-	-
Bank mortgages	-	47,370	2,980,710	-	-
Long term debt	-	2,251,046	26,288,889	-	-
Total	9,287,899	7,072,250	38,940,853		-
December 31, 2020					\$
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years	
Trade and other payables	6,520,975	-	-	-	-
Other current liabilities	20,720,518	865,634	-	-	-
Convertible debentures	-	778,033	5,669,888	-	-
Bank mortgages	162,441	162,441	4,605,159	-	-
Long term debt	4,393,593	-	7,133,970	-	-
Total	31,797,527	1,806,108	17,409,017		-

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 23 - Capital Management

The Corporation's objectives when managing capital are to ensure the Corporation's ability to continue as a going concern, maintain financial flexibility in order to preserve its ability to meet its financial obligations, including potential liabilities resulting from additional acquisitions, maintain a capital structure that allows it to finance its growth strategy with cash flows from its operations and its debt capacity and optimize the use of its capital to provide an appropriate return on investment.

The capital structure of the Corporation consists of the bank mortgages, long-term debt and equity.

The Corporation's financial strategy is developed and adapted based on the market conditions to maintain a flexible capital structure consistent with the objectives stated above and to respond to the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Corporation may refinance an existing debt, take out new borrowings or repurchase shares or issue new shares.

The Corporation's financial strategy and objectives have remained substantially unchanged for the past fiscal year. The objectives and strategy are reviewed annually.

Note 24 - Segment Information

Non-current assets (other than financial instruments) are owned in the following countries:

	As at September 30, 2021	As at December 31, 2020
	\$	\$
Canada	84,778,743	70,271,241
Greece	1,650,000	1,650,000

The rental income is 100% in Canada.

Emergia Inc.

Notes to the Consolidated Financial Statements

As at September 30, 2021

(in Canadian dollars)

Note 25 – Subsequent Events

Private placement offering and debt settlement

A private placement offering has been put in place for an amount of up to \$5,000,000 in convertible debentures with the following terms and conditions: interests payable semi-annually at an annual rate of 8%; one warrant exercisable at \$1.25 until October 31, 2023; one additional warrant exercisable at a price of \$1.50 per share; and a forced conversion if the volume weighted trading price of the shares for the last 20 days on the CSE is equal or higher than \$1.50. This private placement offering expires on December 10, 2021.

At the date of approval of these unaudited condensed consolidated financial statements, \$3,000,000 was invested in this private placement. This amount has been used to further reduce the short-term debt for an equivalent amount (\$275,000 reduction in Other current liabilities, and \$2,725,000 reduction in Trades and Other payables) as at the date these unaudited condensed consolidated financial statements were approved.

On November 5, 2021, the maturity date of all the outstanding warrants has been extended to October 31, 2023.