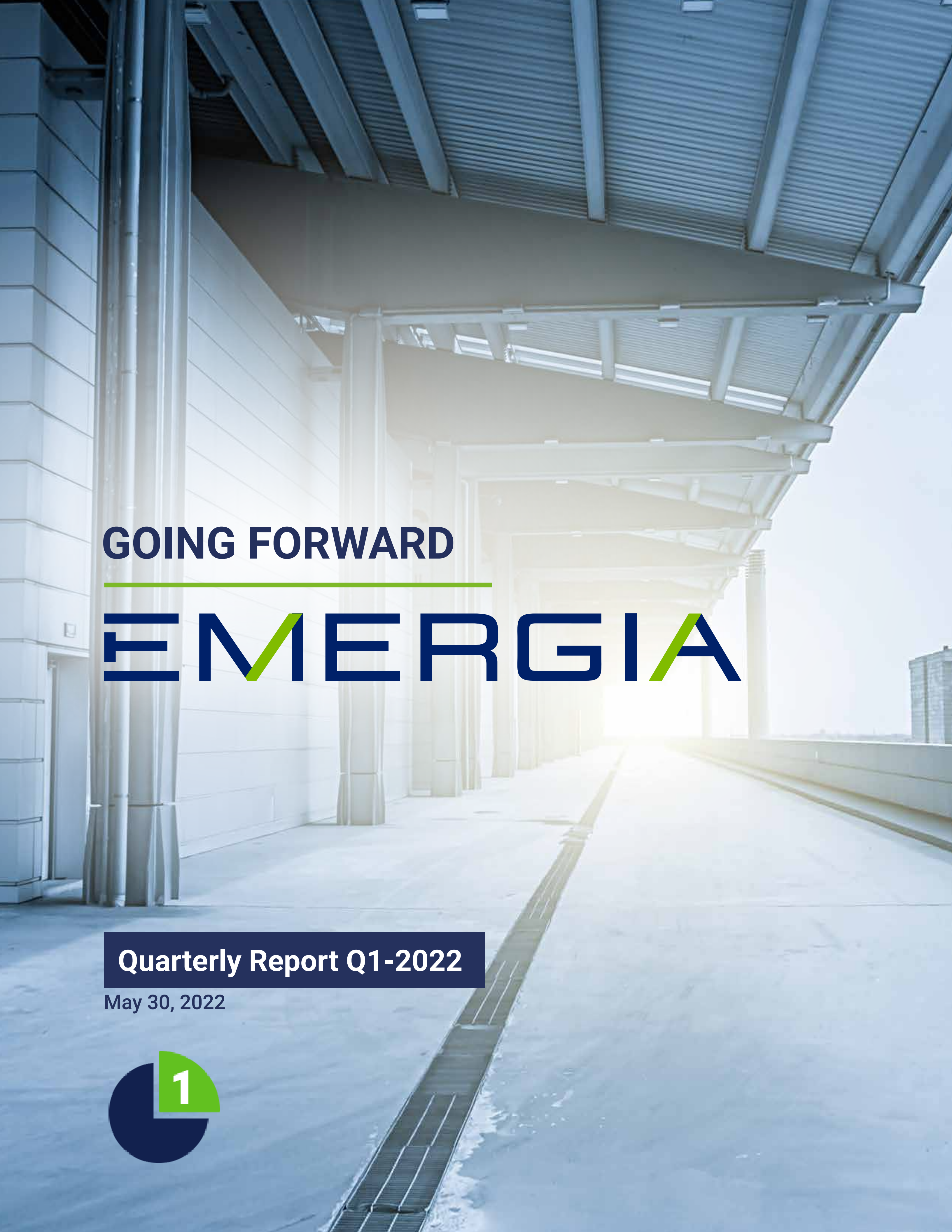

GOING FORWARD

EMERGIA

Quarterly Report Q1-2022

May 30, 2022

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Message to **Shareholders**

" The coming year is important for Emergia, and we are determined to achieve all our goals to make it a success, in the best interest of our shareholders. "

HENRI PETIT

Chairman,
President and CEO

Dear Shareholders,

As indicated in our recent 2021 Annual Report, Emergia has made a remarkable turnaround in the recent years by passing the crucial stages in the execution of this strategic plan of action, with the result of improving its balance sheet and continuing to demonstrate its strong commitment to building value for stakeholders.

Emergia's pursued with the execution of its business plan in the 2022 first quarter, with an acquisition of a 30% interest in a retail portfolio of income producing properties with excess land for future development, the whole, perfectly in line with the Corporation's global business plan. We also closed, on January 10, a private placement in an amount of $3,235,069 in cash and in debt conversion, thus reducing its short-term debt. In addition, a closing in an amount of $1,305,000 was closed on April 8th, comprising $600,000 in capital and $705,000 in convertible debentures. Furthermore, an additional $425,000 of convertible debentures were converted into capital on April 14, 2022. As a result, a total amount of $4,965,069 was raised since the beginning of 2022 until the date of this Quarterly Report, which amount is comprised of $4,260,069 in capital and $705,000 in convertible debenture. Such amount was used to reduce the short-term debt.

Financial Results

The Q1-2022 financial results from operations register a net income of $4,004,344 for the Q1-2022, compared to a net loss $153,411 in Q1-2021. The net comprehensive income of $4,004,344 is mainly driven by the increase in the fair value of the investment in associates of $6,000,000, partly offset by the loss on settlement of a long term debt of $1,087,573 incurred by the disposal of 25% interest in the joint venture. It is important to note that the Corporation has a buy-back option of the shares in the joint venture until September 2023 and, should Emergia exercise its option, the loss would be recuperated.

The Corporation's total assets reached $146,887,894 at the end of Q1-2022, compared to $79,954,134 at the end of Q1-2021, representing an increase of 83.7%. The global debt is decreased to $60,578,895, representing a global debt ratio[1] of 41.2% (compared to 65.2% for the same period in 2021). However, the said amount includes a deferred tax liability of $4,995,129 resulting from the unrealized fair value adjustment in 2021, leaving the liabilities net of deferred taxes of $55,583,766, or representing a global debt ratio[1] of 37.8% without the deferred tax liability (compared to 64.7% in Q1-2021).

The equity reached $86,308,999 at the end of Q1-2022, representing a net asset value[1] per share of $1.91, compared to $1.12 at the end of March 2021. The net asset value[1] is based on the total assets and liabilities and the basic weighted average number of shares outstanding as at March 31, 2022 being $45,073,301. The adjusted real estate net asset value[1] per share, taken into account all adjusted real estate assets and debt, is $2.00 as at March 31, 2022.

2022 Action Plan

EMERGIA intends to pursue its activities to realize its 2022 Action Plan as already indicated in its 2021 Annual Report.

Conclusion

Emergia has now started the execution of its business plan aimed at increasing the revenues, increasing its value and growth by launching its development projects. As part of our plan, we are looking forward to starting distribution of dividends in the next few years.

HENRI PETIT
Chairman, President and CEO

[1] A non-IFRS measure. Please refer to the Management's Discussion & Analysis for the three months ended March 31, 2022 for definitions, reconciliations and the basis of presentation of Emergia's non-IFRS measures.

Be
Different

EMERGIA'S INVESTMENT PLATFORM OFFERS A DIFFERENT WAY TO INVEST IN REAL ESTATE AS IT ALLOWS FOR THE:

Benefit of growth:

- From value-add created in development and optimization projects;
- From internal profits generated by the development and optimization projects;
- From organic growth resulting from the long-term assets developed internally.

Benefit of recurring returns:

- From the stabilized income producing properties;
- From performing properties located in strategic markets;
- From the long-term leases with high profile tenants.

Benefit of the diversification of assets holdings:

- Allowing to be active in multi-residential, retail, industrial and office asset classes;
- Allowing to manage portfolio volatility;
- Allowing to manage resilience to economic downturns.

BE

DIVERSIFIED

We strive to become a leader in diversified real estate ownership, development, and management, to ensure sustained and solid returns to our shareholders by building a high-yielding portfolio while reducing the global portfolio volatility and increasing resilience to economic downturns that may result from changing markets and macro-economic conditions.

SUSTAINABLE

We strive to become a leader in sustainability by using innovative methods of building, with high performance construction materials and environmental features in all of our future development projects, and in the upgrading or redevelopment of existing properties, thus reducing the environmental footprint and contributing to the reduction of greenhouse gas emissions for future generations.

INTEGRATED

Emergia is both fully horizontally and vertically integrated allowing higher returns on investments while benefiting from lower operating expenses and from value-add created on its developments, resulting in higher profits for its shareholders.

Corporate **Profile**

EMERGIA is a Canadian Real Estate Operating Company (REOC), distinctively integrated both vertically and horizontally, active in the development, acquisition, holding, and management of high-quality real-estate properties.

The Corporation is primarily focused on value creation on the short and long-term through strategic acquisitions and development of properties with highest quality standards in multi-residential, retail, industrial, and office asset classes, mainly in Canada. We believe that value relies on the high-quality and sustainability of the properties, oriented on the creation of a better lifestyle and on the well-being of our tenants and the communities where we realize development projects.

The combination of stability and growth is at the core of our commitment to creating value-add for our stakeholders and the communities in which we operate. Our business strategy aims to achieve net asset value appreciation, stable net operating income growth, and capital preservation, all with a long-term focus.

We strive to become a leader in diversified real estate ownership, development, and management, to ensure sustained and solid returns to our shareholders and build a high-yielding portfolio. Emergia's vision is that diversification:

1

Reduces global portfolio volatility and increases resilience to economic downturns that may result from changing markets and macro-economic conditions.

2

Benefits from attractive opportunities throughout real estate cycles.

3

Provides long-term returns that outperform the real estate industry.

We are determined to make things that will stand to time-test by concentrating on the performance, the sustainability, the highest quality standards, and the reduction of environment footprint in each of our projects, all oriented on the creation of a better lifestyle, focussed on the well-being of communities where we realize developments projects.

Q1-2022
Highlights

$146.9M Total Assets Value	**$52.1M** Adjusted Real Estate Debt[1]	**36.6%** Adjusted Real Estate Debt Ratio[1]
$86.3M Shareholders' Equity	**$1.91** Net Asset Value Per Share (Basic)[1]	**$2.00** Real Estate Net Asset Value Per Share (Basic)[1]
$47.1M Value of Property Acquisitions in Q1-2022[2]	**$15.6M** Increase of Total Assets Value since December 31, 2021[2]	**> 20%** Management Ownership

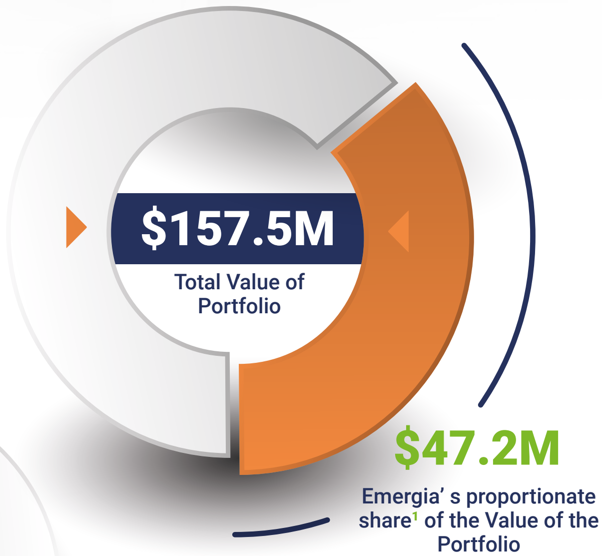
[1] A non-IFRS measure. Please refer to the Management's Discussion & Analysis for the three months ended March 31, 2022 for definitions, reconciliations and the basis of presentation of Emergia's non-IFRS measures.

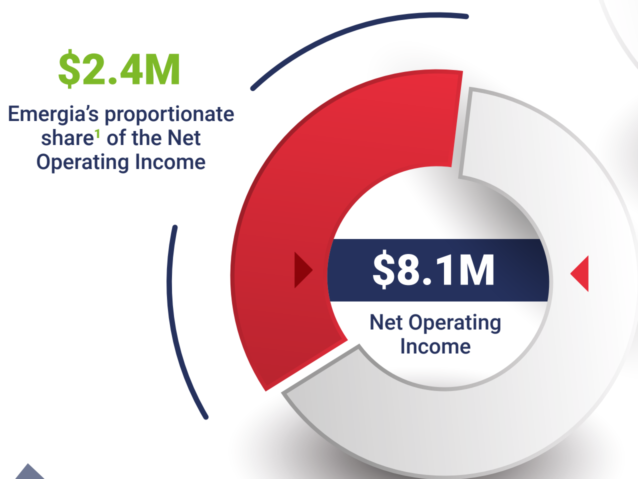
[2] The $47.1M represents Emergia's proportionate share[1] of the portfolio acquired and the $15.6M represents the net increase in the assets value of the Corporation during the 3-month period, including the investment in the associates owning the assets of the portfolio.

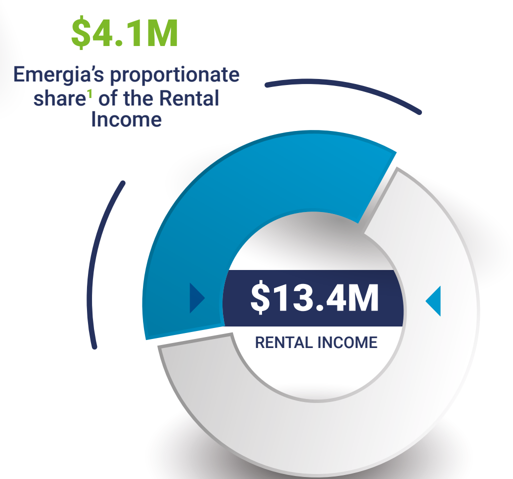
In March 2022, acquisition of a 30% interest in a 6-Plaza portfolio in Ontario

In March 2022, Emergia has purchased an interest of approximately 30% of the total value of a portfolio comprised of six retail plazas in six cities in Ontario. The portfolio includes approximately 568,000 sq. ft. of gross leasable area that is almost fully leased, with an additional development potential of approximately 196,000 sq. ft. of gross leasable area, part of which are under negotiations for 2022.

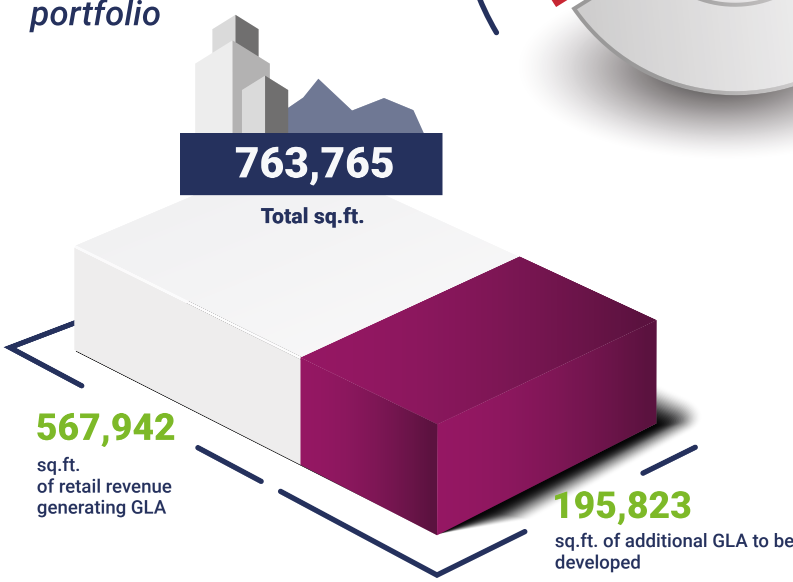
The total purchase price for the acquisition of Emergia's interest is $41,031,152 which has been paid through the assumption of $28,968,732 of existing mortgages, the issuance of 9,776,800 Class "A" common shares at $1.00 per share, and the balance being paid in cash. including the deposits of $1,635,620.







A glance at the portfolio



[1] *A non-IFRS measure. Please refer to the Management's Discussion & Analysis for the three months ended March 31, 2022 for definitions, reconciliations and the basis of presentation of Emergia's non-IFRS measures.*

Recent
Development

PRIVATE PLACEMENTS

On January 10, 2022, the Corporation completed the closing of its previously announced private placement and issued an additional 4,857,020 units and 250,000 Class "A" common shares for a total amount of $3,454,930, composed of $546,862 in cash and $2,908,067 in payment of outstanding debts. Each unit, issued at $0.68 per unit, was 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 Class "A" common share at a price of $1.25 per share until October 31, 2023. This closing includes the conversion of an important portion of the directors' and the Management's accrued compensation for an amount of $990,239 (representing 1,456,234 units) and the conversion of debts by creditors for an amount of $1,935,671 (representing 2,872,816 units) and $546,862 (representing 804,210 units) in cash.

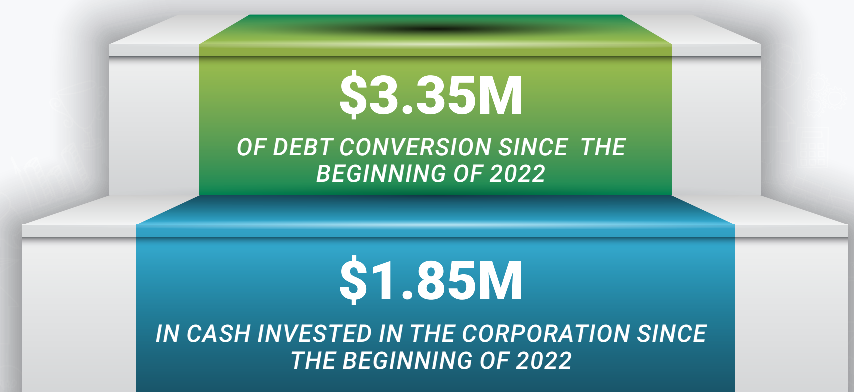
On April 8, 2022, Emergia has completed another closing of a private placement for a total amount of $1,305,000 in cash, composed of $705,000 of unsecured convertible debentures and $600,000 in units of the Corporation at a price of $0.80 per unit. The convertible debentures bear interest at the rate of 8% per year, accruing in arrears, payable semi-annually in cash or in Class "A" common shares of the Corporation. The convertible debentures are convertible at the holder's option into one debenture unit of the Corporation at a conversion price of $0.90. Each debenture unit is composed of one Class "A" common share in the capital of the Corporation and two (2) warrants of the Corporation: (i) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.25 per share until October 31, 2023 and (ii) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.50 per share until October 31, 2024. In the event that, during the term of the convertible debentures, the volume weighted trading price of the Class "A" common shares for the last 20 days on the Canadian Securities Exchange is equal to, or greater than $1.50 per share, the Corporation may then force the conversion of the convertible debentures into debenture units. Each unit, issued at $0.80 per unit, is 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 Class "A" common share at a price of $1.25 per share until October 31, 2023.

On April 14, 2022, an holder of convertible debentures converted an amount of $425,000 of its debentures into units of the Corporation at $0.85 per unit, each unit being composed of one Class "A" common share in the capital of the Corporation and two (2) warrants of the Corporation: (i) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.25 per share until October 31, 2023 and (ii) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.50 per share until October 31, 2024.

> ***" Investors have, throughout 2021 and again in Q1-2022, demonstrated their confidence in the strength and in the future of EMERGIA. We are very proud to have proven them right. "***
>
> **HENRI PETIT** Chairman, President and CEO

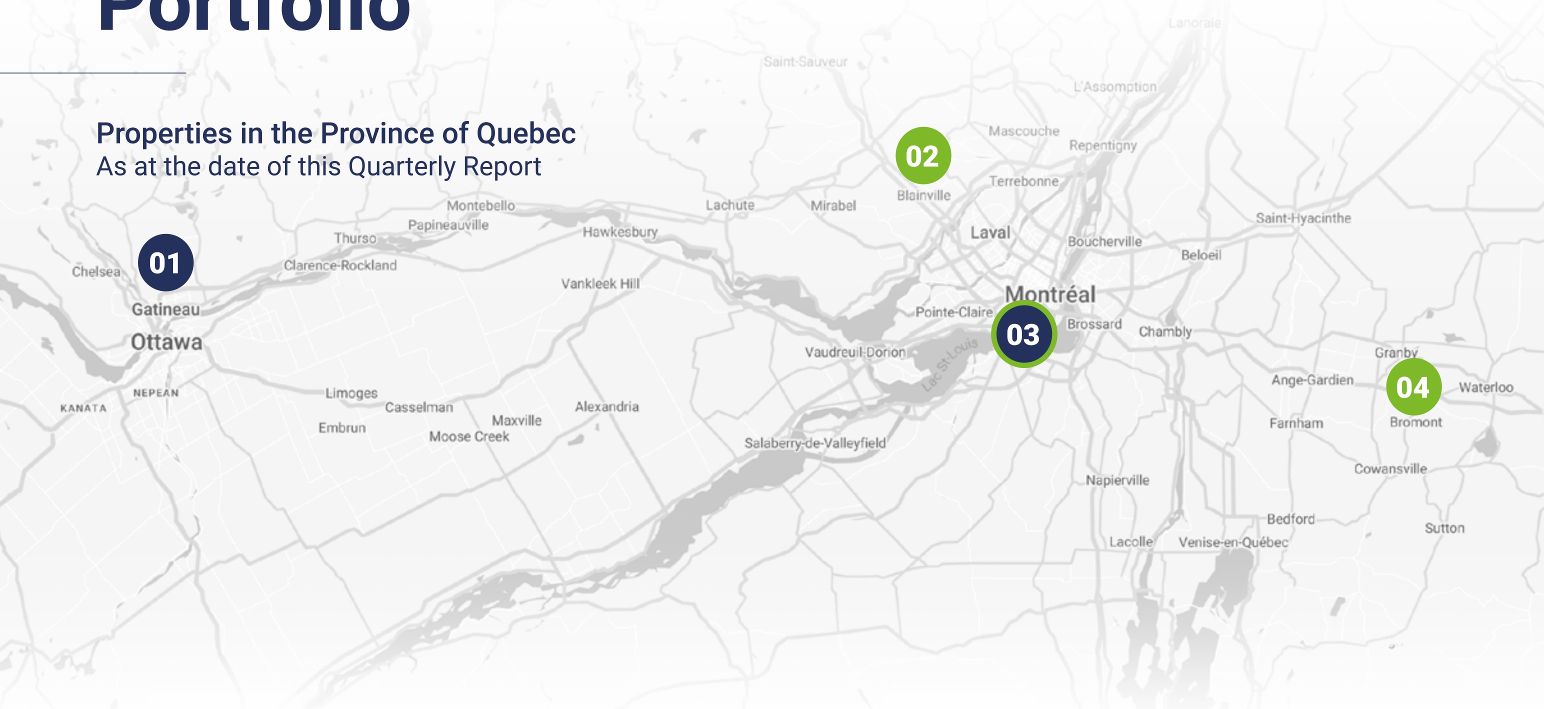
$5.20M

OF TOTAL INVESTMENTS IN EMERGIA SINCE THE BEGINNING OF 2022



Our **Portfolio**

Properties in the Province of Quebec
As at the date of this Quarterly Report



01 — Revenue Generating

Gatineau QC
121 Avenue Lépine

19,810
sq.ft. GLA

FMV:
$4,600,000

Gatineau QC
117 Avenue Lépine[1]

24,950
sq.ft. GLA

Emergia's proportionate share of FMV[2]:
$1,050,000

02 — Development

Blainville QC
Curé-Labelle Blvd

231,699
sq.ft. of Land under Development

FMV:
$2,009,304

03 — Revenue Generating / Development

Dorval QC
185 Avenue Dorval[1]

54,118
sq.ft. GLA

Emergia's proportionate share of FMV[2]:
$1,875,000

45,000
sq.ft. of Land under Development

Emergia's proportionate share of FMV[2]:
$875,000

04 — Development

Bromont QC
Exit 78 of Highway 10

17,000,000
sq.ft.

FMV:
$92,312,215

[1] Property owned in an investment in an associate. Please refer to the "Portfolio Composition" section of the Management's Discussion & Analysis for the three months ended March 31, 2022.

[2] A non-IFRS measure. Please refer to the Management's Discussion & Analysis for the three months ended March 31, 2022 for definitions, reconciliations and the basis of presentation of Emergia's non-IFRS measures.

Our
Portfolio

Properties in the Province of Ontario
As at the date of this Quarterly Report

01
Revenue Generating

Owen Sound ON
2125, 16th Street East[1]

110,900
sq.ft. GLA

Emergia's proportionate share of FMV[2]:
$5,900,000

02
Revenue Generating

Brantford ON
221, Henry Street[1]

91,802
sq.ft. GLA

Emergia's proportionate share of FMV[2]:
$7,000,000

03
Development

Alliston ON
6485, 14th Line

4,331,606
sq.ft. of Land under Development

FMV:
$21,721,415

04
Revenue Generating

Niagara Falls ON
7835, McLeod Road[1]

49,852
sq.ft. GLA

Emergia's proportionate share of FMV[2]:
$7,400,000

05
Revenue Generating

North Bay ON
850, McKeown Ave[1]

135,514
sq.ft. GLA

Emergia's proportionate share of FMV[2]:
$8,000,000

06
Revenue Generating

Pembroke ON
15, Robinson Lane[1]

64,564
sq.ft. GLA

Emergia's proportionate share of FMV[2]:
$6,200,000

07
Revenue Generating

Cornwall ON
501, Tollgate Rd[1]

115,910
sq.ft. GLA

Emergia's proportionate share of FMV[2]:
$12,600,000

[1] Property being part of the 6-Plaza Portfolio in Ontario for which Emergia acquired in March 2022 a 30% interest. Please refer to the "Acquisitions and Dispositions" section of the Management's Discussion & Analysis for the three months ended March 31, 2022.

[2] A non-IFRS measure. Please refer to the Management's Discussion & Analysis for the three months ended March 31, 2022 for definitions, reconciliations and the basis of presentation of Emergia's non-IFRS measures.

Pure **Bromont**

A unique living space on the continent

PURE BROMONT

The PURE BROMONT site, land of some 17 million sq. ft., benefits of an extraordinary potential to create distinctive attractions in the Eastern Townships.

Bromont, city with a unique character, counting approximately 11,500 inhabitants, is in a phase of high demographic and economic growth. It is a strategic area to realize a mixed-use project like PURE BROMONT, where one finds important recreational tourism, commercial and residential facilities. This project is an opportunity to realize an innovative and unique concept, integrating retail, restaurants, cafés, condo-hotels, chalets and various businesses within an already thriving community, in a nature-oriented environment, respecting the biodiversity of the site. The development will be carried out in harmony with the architectural values of the City of Bromont and integrating certain signature elements of our company, giving a singular character to the project.

PURE BROMONT, near Montreal, is easily accessible from anywhere in the Province of Quebec and the East Coast of the United States, allowing to benefit from facilities that will coexist with chalets, condo-hotels, various shops, restaurants and cafes, connected by a pedestrian street with an atmosphere in perfect harmony with nature.

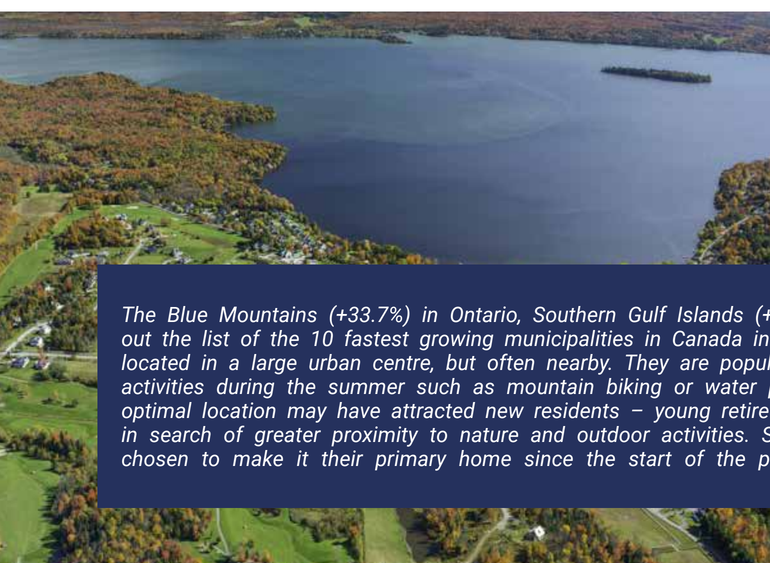
Pure Bromont, the importance of the environment

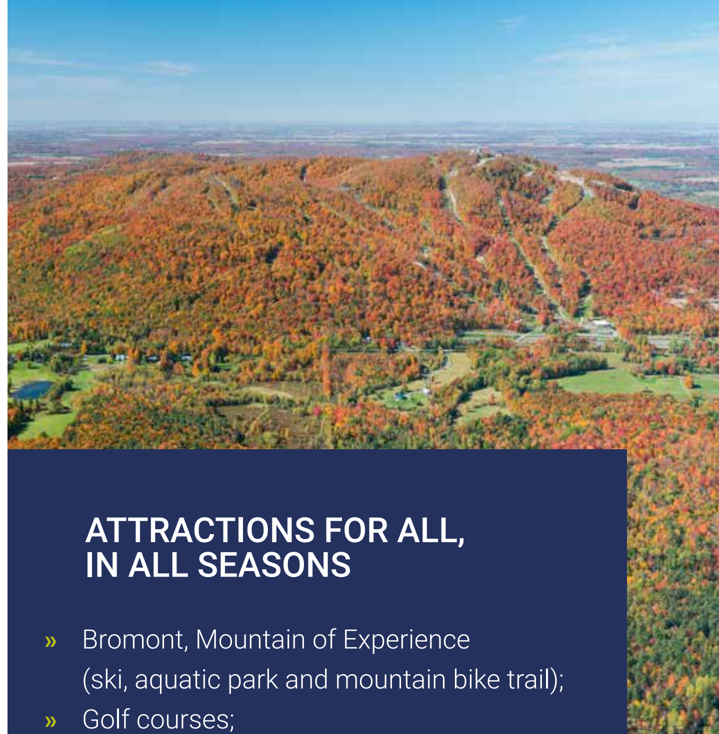
PURE BROMONT certainly represents an example to follow on the environmental planning. Emergia is committed and honored to plan the development in a sustainable way and respectful of nature, with approximately 6.5 million sq. ft. of the site preserved for environmental purposes. Emergia intends to develop the site prioritizing the use of materials offering maximum benefits for the environment, including a net-zero orientation in parts of the project.

The region, a countryside paradise of mountains and valleys

The tourist region of Brome-Missisquoi, where you can discover 20 wineries, is the cradle of wine production in the Province of Quebec. Moreover, a signalized wine route runs through many of its towns and villages. An area of choice for outdoor adepts, the Sutton Mountain and Mount Brome are extraordinary playgrounds for alpine skiing, snowshoeing and cross-country skiing in the winter, and cycling, horse riding and kayaking in the summer. The Brome-Missisquoi Region, charming with its winding roads crisscrossing its hills and valleys and a multitude of streams, lakes and rivers and large forests, is composed of some 21 municipalities counting around 60,000 inhabitants. Walking in Brome-Missisquoi is a discovery of a unique region dotted with orchards, vineyards and farms. In addition, two municipalities of Brome-Missisquoi are part of the Association of the Most Beautiful Villages of the Province of Quebec: Frelighsburg and Lac Brome (Knowlton).

Just next to PURE BROMONT, the Haute-Yamaska MRC is the link between the plains of the St. Lawrence and the Appalachians. The total population of the MRC is currently 94 780 residents whose city center is Granby (70 297 residents).





ATTRACTIONS FOR ALL, IN ALL SEASONS

- Bromont, Mountain of Experience (ski, aquatic park and mountain bike trail);
- Golf courses;
- Divertigo (Hebertism);
- Several museums and art galleries;
- Bromont National Cycling Center;
- 5 municipal trail networks totaling 100 km + Mount Brome which offers 39 km of trails;
- Mount Shefford which offers a 6.3 km trail;
- Wine Road;
- And many others.

An exceptional location

PURE BROMONT is destined to be a "must see" destination in the Quebec Eastern Townships. This real estate project is located in a central area that can attract a large number of visitors. With its proximity to the US border (45 minutes), PURE BROMONT is expected to earn the interest of American tourists.

In addition, the project is located near several major cities such as Montreal, Granby, Drummondville and Sherbrooke. Highway 10, at Exit 78, which also faces the project, has a traffic flow of 61,000 cars on a daily basis.

The Blue Mountains (+33.7%) in Ontario, Southern Gulf Islands (+28.9%) in British Columbia and Bromont (+25.6%) in Quebec rounded out the list of the 10 fastest growing municipalities in Canada in 2021. These tourist municipalities or resort cities are not necessarily located in a large urban centre, but often nearby. They are popular vacation and leisure sites located close to ski hills and also offer activities during the summer such as mountain biking or water parks, or navigable bodies of water. Their outdoor facilities and their optimal location may have attracted new residents – young retirees or those able to work from home given the COVID-19 pandemic – in search of greater proximity to nature and outdoor activities. Some people already having a second residence there may also have chosen to make it their primary home since the start of the pandemic. (2021 Census Report- Statistics Canada, February 9, 2022)

A real estate project unique on the continent

PURE BROMONT is destined to be a "must see" "lifestyle" destination in the Eastern Townships, for both the local residents and for visitors from major urban centers or other regions or areas and foreign tourists.

This is a major mixed-use real estate project that includes commercial, recreational tourism and residential components planned on a land of approximately 17 million sq. ft. (1.5 million m^2), 100% owned by the Corporation.

This multifunctional project is inspired by the "New Urbanism" style, this architectural and urbanism trend that is increasingly in demand. This is a revamped traditional model that stands out for real estate developments of medium to high density. It aims to create mixed-use communities, urban "Street Life" entertainment and many attractions offered to the population within a radius near the residence.

FOUR MILLION RESIDENTS IN A RADIUS OF 100 KILOMETERS

The Bromont Region is amongst the most prosperous regions in the Province of Quebec with 1.6 million visitors annually. Its wine Route, consisting of 22 stops, including 8 of them at less than 15 kilometers from the project, allows Bromont to offer singular activities for tourists who want to live a unique experience of its kind. Moreover, the project is located near several important population basins, such as those in the cities of Sherbrooke, Saint-Jean-sur-Richelieu, Drummondville, Granby and, of course, the greater Montreal area with a pool of over 2 million people.

Planned Development

The final development plan for this property is not yet completed as it depends on final approvals by the City. In any case, the Corporation expects to benefit of the capital appreciation of the land.

Retail and Recreotouristical Component:

- **Phase 1** is divided in sub-phases which will include a highway services project (restaurants, convenience store, gas station, etc.) and retail stores.
- **Phase 3**, will comprise a pedestrian street with retail boutiques, restaurants, etc. on the ground floor and condo-hotels to be sold or leased to an operator on the second and third floors. Phase 3 will also include other retail stores outside the pedestrian street.
- **Phase 5** is zoned commercial (retail).
- **Phase 6** is authorized for cellular tower and a land lease is already in place.
- **Phases 1, 3 and 5** will be developed in retail by Emergia (GLA of approximately 720,000 sq.ft.) which the Corporation expects to hold for the long-term. Emergia will also sell parcels of land and condo-hotels to operators.

Residential component:

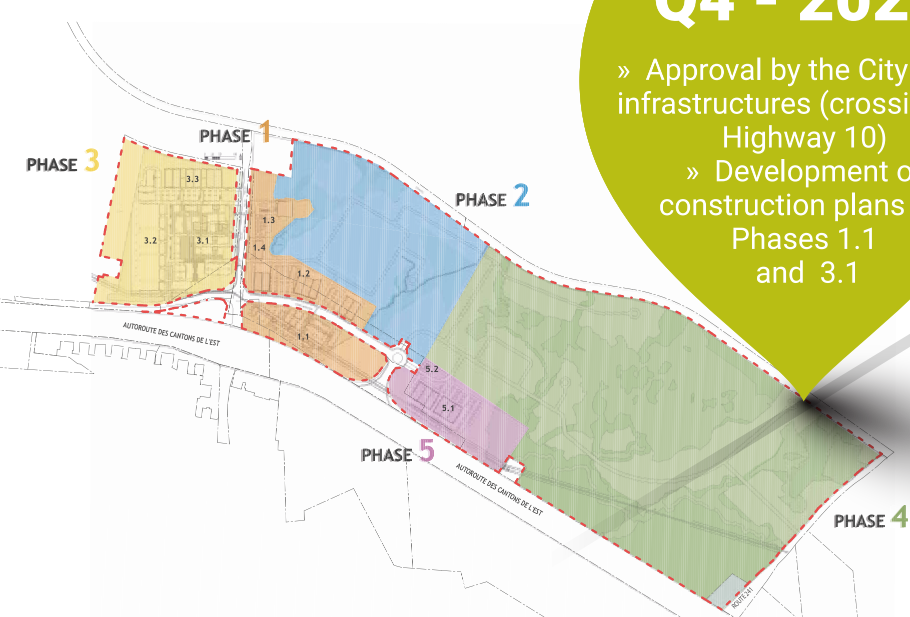
- **Phase 2** is zoned for low density (1 house per hectar) and is expected to be rezoned to recreotouristical and medium density in the course of 2022 or early 2023.
- **Phase 4** is in a reserve for future development, which development is to be authorized once Phase 2 has reached a certain level of construction. Phase 4 rezoning is expected to become low and medium density in the course of 2023.
- **Phases 2 and 4** will either be developed by Emergia, partly alone and partly through joint ventures, or partly sold to contractors, for housing and condos (multiresidential). Among others, Emergia intends to develop multi-residential apartment buildings in these phases.

EXPECTED TIMELINE

Q4 - 2022
- Approval by the City of the infrastructures (crossing the Highway 10)
- Development of construction plans for Phases 1.1 and 3.1

Q1 - 2023
- Launching of the construction of the infrastructures
- Approval of construction plans for Phases 1.1 and 3.1

Q2 - 2023
- Launching of the construction of Phase 1.1
- Launching of the construction of Phase 3.1



Alliston

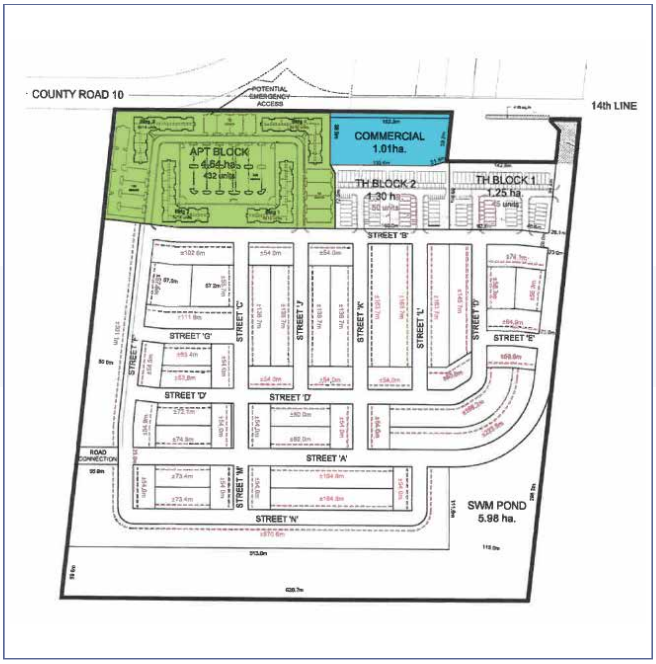
Another Remarkable Value Creation Opportunity

Alliston, located in the southern portion of Simcoe County in the province of Ontario, is part of the Town of New Tecumseth since the 1991 amalgamation of Alliston and nearby villages of Beeton, Tottenham, and the Township of Tecumseth.

The Town of New Tecumseth is amongst the 25 highest growth rates in Canada in 2021[1] with a growth of 28.3% in 2021, now counting a population of over 43,948 residents, and still growing. The community is strategically located near Highway 400 with access to larger Ontario markets of the Greater Toronto Area, Hamilton, Kitchener and Waterloo.

The Town enjoys a diverse local economy with strengths in the industries of manufacturing, retail, transportation, and warehousing, as well as educational services. Honda of Canada Manufacturing Plant, the automobile manufacturing division of Honda of North America Inc., is located in Alliston and is one of the major employer of the Town of New Tecumseth.

[1] Three other suburban municipalities surrounding Toronto also had among the 25 highest growth rates in the country: New Tecumseth (+28.3%), Bradford West Gwillimbury (+21.4%) and Milton (+20.7%). These growth rates were over four times that of the Toronto CMA as a whole (+4.6%). (2021 Census Report- Statistic Canada)



The Acquisition

On May 3, 2021, Emergia acquired a land of approximately 100 acres in Alliston, Ontario. This land is located at only approximately 650 meters from the Honda plant.

The current zoning of the land is Employment-2 (light industrial) and commercial corridor. But a zoning change process is underway to residential (single and multi-family) and commercial corridor.

Planned Development

The plan for the final use of this property is not yet determined as it depends on zoning change. In any case, the Corporation expects to benefit of the capital appreciation of the land. Should the zoning change from Employment-2 to residential not be confirmed, the Corporation intends to proceed to the development of industrial income producing properties.

If the zoning change is confirmed, the expected development is defined as follows:

- **Single family homes:** Once rezoned, it is expected that approximately 81.24 acres (gross acorage – representing 70.3 acres net) would be designed as single-family homes (houses or townhouses). It is Emergia's intent to sell this part of land to single-family homes developers or contractors or joint venture with same for such development.

- **Multi-residential:** After completion of the zoning change, there would be 12 acres designated as multi-family to build apartment buildings (up to 500 units). This development would be kept on the long-term by Emergia.

- **Retail:** Emergia intends to develop a proximity services strip plaza (approximately 50,000 to 60,000 sq.ft.) on the 2.47 acres planned to be maintained as commercial corridor.

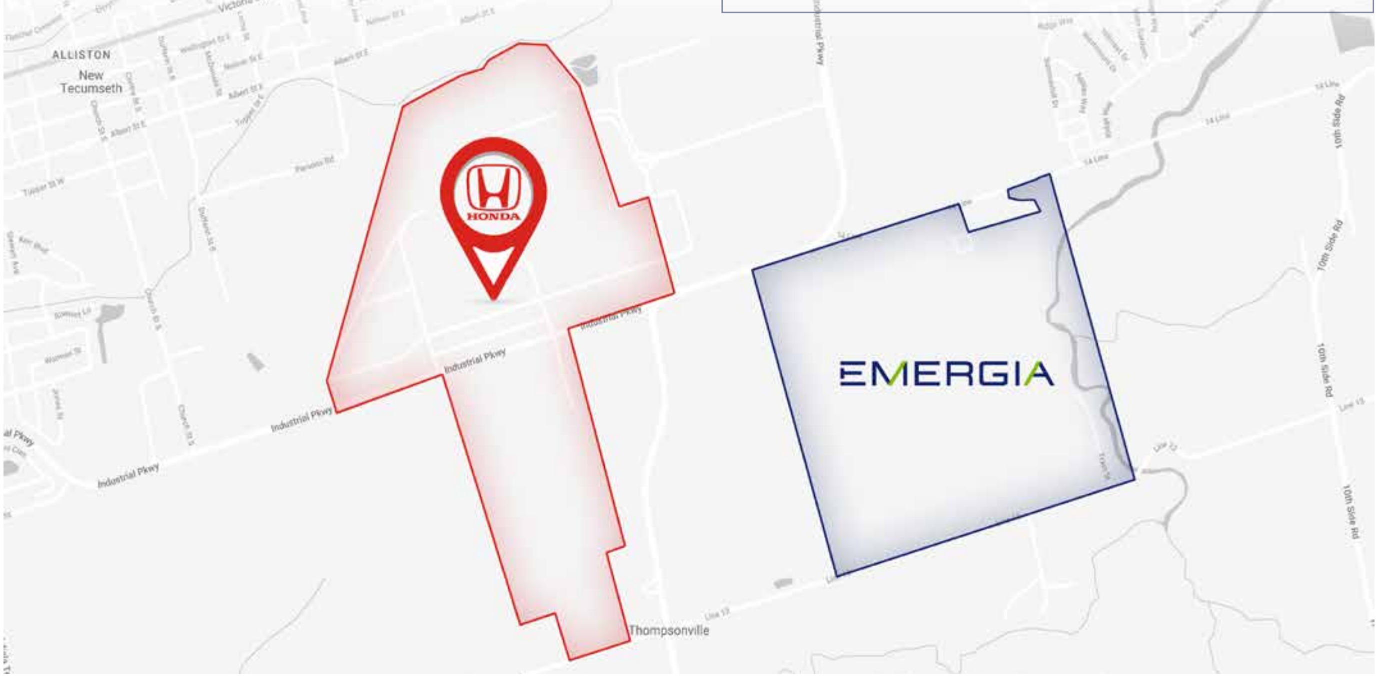
Development Financing

Emergia plans to finance the construction of the 500 units multifamily rental apartments and the 50,000 to 60,000 sq.ft. retail plaza through standard bank financing. Considering the value of the land and the expected profit on the sale of the excess land, no additional capital is expected to be required for the construction of this project, as the loan to value ratio is within the parameters of any lenders' standard requirements.

JUST MINUTES AWAY FROM **HONDA PLANT**

Honda to invest $1.38B in Alliston factory with help from Ottawa and Queen's Park

(Toronto Star -March 15, 2022)



EXPECTED TIMELINE

Q3-2022	Q1-2023	Q3-2023 to Q4-2025
» Zoning change approval.	» Draft Plan Approval for the development project.	» Development of the multi family and retail components.

GOING FORWARD

EMERGIA

Management's Discussion and Analysis

For the three-month periods ended March 31, 2022 and March 31, 2021

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General and Forward-Looking **Statement Advisory**

GENERAL

The terms "**Emergia**", the "**Corporation**", "**we**", "**us**", and "**our**" in the following Management's Discussion and Analysis for the three months ended March 31, 2022 ("**MD&A**") refer to Emergia Inc. together with its subsidiaries. Financial data, including related historical comparatives, provided in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

This MD&A is current as of May 30, 2022, unless otherwise stated, and should be read in conjunction with Emergia's unaudited interim condensed consolidated financial statements for the periods ended March 31, 2022 and March 31, 2021 and accompanying notes (the "**Q1-2022 Financial Statements**") and the audited consolidated financial statements of Emergia for the years ended December 31, 2021 and 2020 and accompanying notes (the "**2021 Annual Financial Statements**") and management's discussion and analysis thereon (the "**2021 Annual MD&A**"), which have been prepared in accordance with IFRS, copies of which have been filed electronically with securities regulators in Canada through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and may be accessed through the SEDAR website at www.sedar.com. Historical results and percentage relationships contained in the Q1-2022 Financial Statements, the 2021 Annual Financial Statements, the 2021 Annual MD&A and this MD&A, including trends, should not be read as indicative of future operations.

Certain information contained in this MD&A concerning the economy generally and relating to the industry in which the Corporation operates has been obtained from publicly and/or industry available information from third party sources, including the 2021 Census Report – Statistic Canada, the Bank of Canada's January 2022 Monetary Policy Report, the Royal Bank of Canada's Provincial Outlook – March 2022, the Canada - OECD Economic Outlook December 2021, CMHC's February 2020 Rental Market Report, the Colliers' 2022 National Retail Outlook and CBRE's Canada Office Figures and Industrial Figures Q1-2022, which are believed to be generally reliable. The Corporation has not verified the accuracy or completeness of any information contained in such publicly available information. In addition, the Corporation has not determined if there has been any omission by any such third party to disclose any facts, information, or events which may have occurred prior or subsequent to the date as of which any such information contained in such publicly available information has been furnished or which may affect the significance or accuracy of any information contained in any such information and summarized herein.

All dollar amounts are in Canadian dollars, unless otherwise noted.

FORWARD-LOOKING STATEMENT ADVISORY

Certain statements contained in this MD&A constitute forward-looking statements. Statements concerning Emergia's objectives and strategies and Management's beliefs, plans, estimates and intentions constitute forward-looking statements. Forward-looking statements can generally be identified by the expressions "anticipate", "believe", "plan", "estimate", "project", "expect", "intend", "outlook", "objective", "may", "will", "should", "continue" and similar expressions.

The forward-looking statements are not historical facts but, rather, reflect the Corporation's current expectations regarding future results or events and are based on information currently available to Management. Certain material factors and assumptions were applied in providing these forward-looking statements. Forward-looking information involves numerous assumptions such as rental income (including assumptions on timing of lease-up, development coming online and levels of percentage rent), interest rates, tenant defaults, borrowing costs (including the underlying interest rates and credit spreads), the general availability of capital and the stability of the capital markets, the ability of the Corporation to make loans, amount of development costs, capital expenditures, operating costs and corporate expenses, level and timing of acquisitions of income producing properties, the Corporation's ability to complete dispositions and the timing, terms and anticipated benefits of any such dispositions, the Corporation's ability to redevelop, sell or enter into partnerships with respect to the future incremental density it has identified in its portfolio, number of shares outstanding and numerous other factors. Moreover, the assumptions underlying the Corporation's forward-looking statements contained in the "Business Environment and Outlook" section of this MD&A also include that consumer demand will remain stable, and demographic trends will continue.

Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Management can give no assurance that actual results will be consistent with these forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the "Risks and Uncertainties" section of the 2021 Annual MD&A. Factors that could cause actual results or events to differ materially from those expressed, implied or projected by forward-looking statements, in addition to those factors referenced above, include, but are not limited to: general economic conditions; real property ownership; tenant financial difficulties, defaults and bankruptcies; the relative illiquidity of real property; increases in operating costs, property taxes and income taxes; Emergia's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; the availability and cost of equity and debt capital to finance the Corporation's business, including the repayment of existing indebtedness as well as development, intensification and acquisition activities; changes in interest rates and credit spreads; organizational structure; the availability of a new competitive supply of retail properties which may become available either through construction, lease or sublease; the Corporation's ability to: execute on its strategy, including with respect to dispositions, capitalize on competitive advantages, optimize portfolio assets and accelerate value delivered to its investors and stakeholders, remain ahead of changing market conditions, reach its demographic targets; unexpected costs or liabilities related to acquisitions, development and construction; geographic and tenant concentration; sales and leasing; compliance with financial covenants; changes in governmental regulation; environmental liability and compliance costs; unexpected costs or liabilities related to dispositions; challenges associated with the integration of acquisitions into the Corporation; uninsured losses and Emergia's ability to obtain insurance coverage at a reasonable cost; risks in joint ventures; investments subject to credit and market risk and loss of key personnel.

Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. Emergia undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances, except as required by applicable securities law.

All forward-looking statements in this MD&A are made as of May 30, 2022 and are qualified by these cautionary statements.

Overview

BUSINESS OVERVIEW

EMERGIA is a Real Estate Operating Company (REOC), distinctively integrated both vertically and horizontally, active in the development, acquisition, holding, and management of high-quality real-estate properties.

The Corporation 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. The Corporation is publicly listed on the Canadian Securities Exchange ("**CSE**") and its ticker symbol is "EMER". The principal address and records office of the Corporation are located at 402 – 185 Avenue Dorval, Dorval, Quebec, Canada H9S 5J9.

The Corporation is primarily focused on value creation on the short and long-term through strategic acquisitions and development of properties with very high quality standards in multi-residential, retail, industrial, and office asset classes. We believe that value relies on the high-quality and sustainability of the properties, oriented on the creation of a better lifestyle and on the well-being of our tenants and the communities where we realize development projects.

The combination of stable income and growth is the core of our commitment to creating value for our stakeholders and the communities in which we operate. Our business strategy aims to achieve net asset value appreciation, stable net operating income growth and capital preservation, all with a long-term focus.

The revenue streams model targeted by the Corporation is as follows: 60% from its income producing properties, 30% from development, and 10% from management fees.

We strive to become a leader in diversified real estate ownership, development, and management, to ensure sustained and solid returns to our shareholders and build a high-yielding portfolio.

Emergia is distinctively integrated vertically and horizontally as it intervenes at all stages of the real estate value chain.

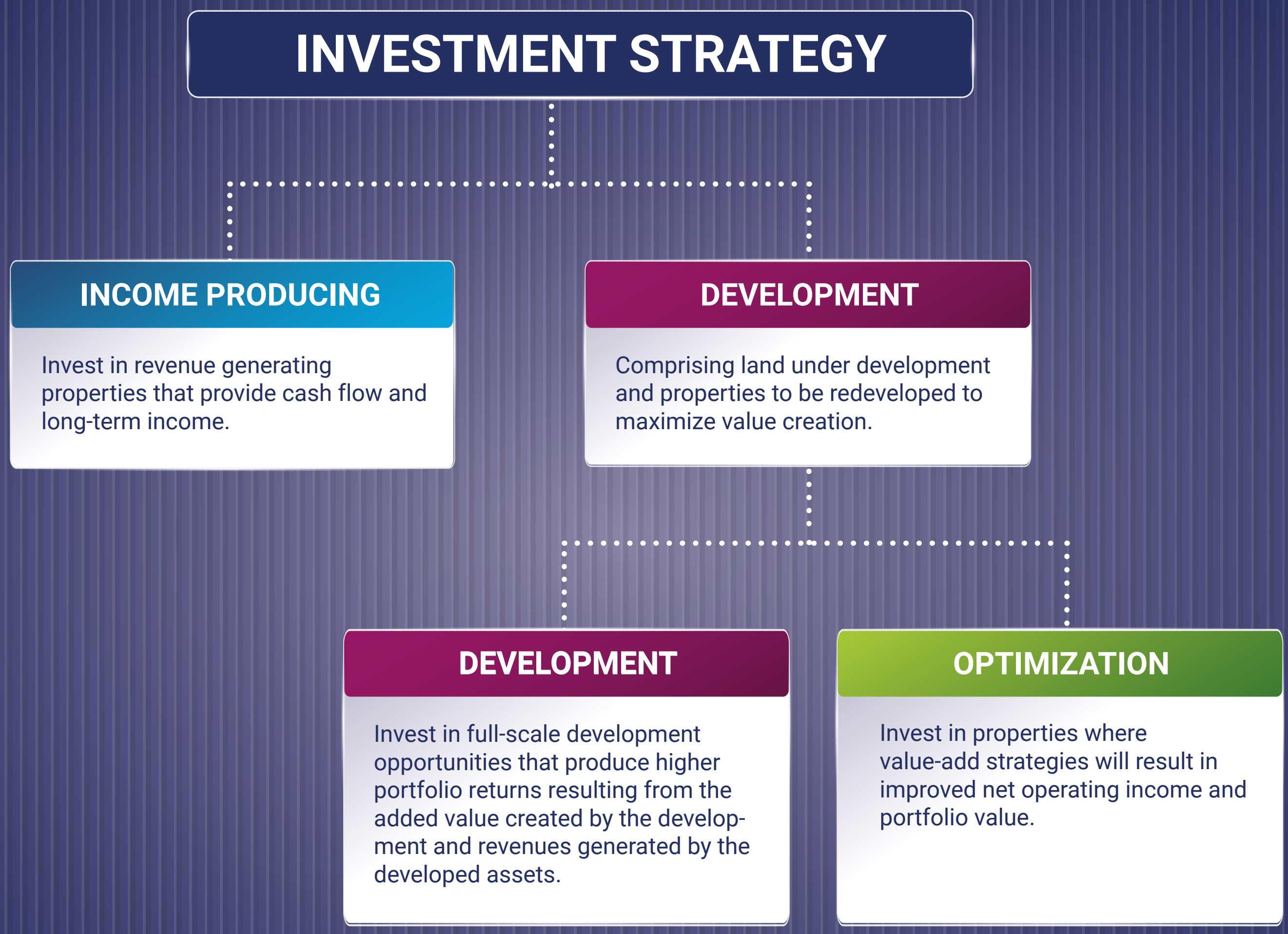
INVESTMENT STRATEGY AND BUSINESS MODEL

The Corporation principally focuses on small to medium-size portfolios based on a diversified asset allocation (multi-residential, retail, industrial, and office), as well as land for future development, mainly in Canada. Emergia aims to create diversified portfolios allowing to reduce the values volatility and to increase resilience to economic downturns.

Development initiatives are a key component of our business plan, positioning Emergia for long-term growth and value creation. Income producing properties acquired generally offer expansion and redevelopment opportunities, enabling us to add high-quality real estate to our portfolio at a reasonable cost. Properties held for development, generally land, are acquired with the objective to develop income producing properties thereon. In some cases, there can be excess land which is held for capital appreciation and may be sold in due course, normally after having added value thereto through zoning change or after having developed our own projects, thereby increasing the value of such excess land. The excess land sold are the ones which eventually might not fit within the Corporation's income producing properties asset classes business model. Our long-term pipeline of potential mixed-use developments also allows us to transform and revitalize neighbourhoods into communities that are self-sustaining and inclusive.

Emergia benefits of experienced internal development capabilities as well as sound relationships with strong real estate contractors and developers who share our vision and commitment to building high-quality and sustainable properties, respecting nature and social environments. We are determined to realize and deliver products that will stand to time-test, being community-oriented, sustainable, and low environment footprint.

Emergia's real estate investment strategy is based on two core assets components:



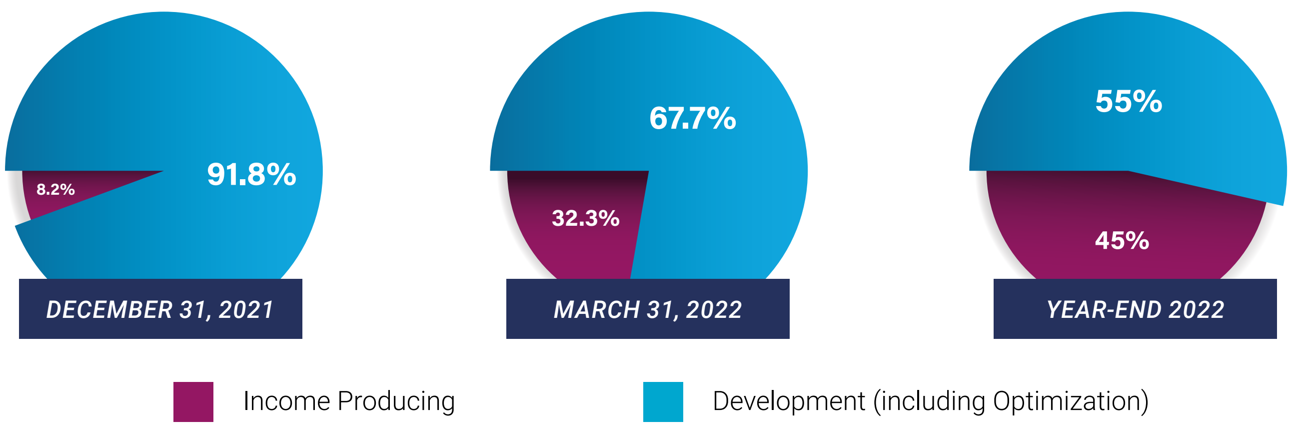
Each acquisition and development project are analysed and planned with specific financial parameters predetermined by Management with the aim of benefitting of value-add as of the acquisition date or the start date of the development project. Emergia will also benefit of capital appreciation of the excess land to be eventually sold.

The combination of stabilized revenues and returns to investors as well as higher yields from its development activities provides an important element of differentiation for Emergia when compared to other existing public real estate investment vehicles. The stabilized revenue generating properties ensure liquidities for operations of the Corporation as well as capital to invest in additional properties and to, eventually, allow distribution of dividends to shareholders. The optimization and development sectors allow higher yields and growth in the net asset value1 of the Corporation.

The value of Emergia's portfolio as at March 31, 2022 on a proportionate share basis[1] was $174, 992,934, composed of $54,625,000 in income producing properties, $118,567,934 in properties under development (including properties under optimization), and $1,800,000 in properties held for sale.

The allocation between the two core components of the Corporation's investment strategy targeted by the Corporation in its business model is 60% for income producing properties and 40% for properties under development.

The following graphs show the allocation between such two core components as of December 31, 2021 and as of March 31, 2022, on a proportionate basis[1] and the allocation targeted to be reached at year-end 2022 (please refer to the "Acquisitions and Dispositions" section of this MD&A on on page 64):



The Corporation seeks to reach the allocation percentages of its model (60% for income producing properties and 40% for properties under development) in 2023 through development of income producing properties within the current properties held under development and by strategic acquisitions of existing income producing portfolios.

We follow a value-based approach to invest and allocate capital. We believe our disciplined action, global reach and our expertise in recapitalization and operational turnarounds enable us to identify a wide range of potential opportunities. The real estate market in Canada offers specific opportunities that fit particularly well with Emergia's business model of short-term value creation and long-term income producing. Our investment focus with respect to each asset class is as follows:

» **Multi-Suite Residential:**
The tight supply, historically low vacancy rates and tougher stress tests on residential mortgages have had an impact on affordability in certain markets, but Quebec and Ontario markets still allow some opportunities for value creation. There are interesting opportunities in this sector in various cities in the province of Quebec, particularly in the Greater Montreal Area, Quebec City area and Gatineau. The Province of Ontario also offers interesting opportunities, in cities such as Ottawa, Niagara Falls, London, New Tecumseth, and secondary line cities of larger cities like Toronto.

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

» **Retail:**
With respect to the retail market, the Corporation's plan is to concentrate in proximity services oriented and redevelopment opportunities that include repurposing and densifying site with mixed-use properties, mainly in secondary markets. Such opportunities will generally combine retail with higher-density multi-residential, services, green space and experiential attractions. Emergia specifically targets these retail properties with the objective to complete redevelopment within a short timeframe, increasing asset value and income producing potential for long-term holding.

» **Industrial:**
There is an increased need for industrial space in the markets targeted by the Corporation driven by online retail distribution and return centers and other niche areas such as small bays multi-tenant industrial buildings. Rental increases are expected for the next few years. Emergia is targeting specific geographical areas that offer important logistical advantages to long-term tenants and develop properties in function of firm long-term leasing arrangements.

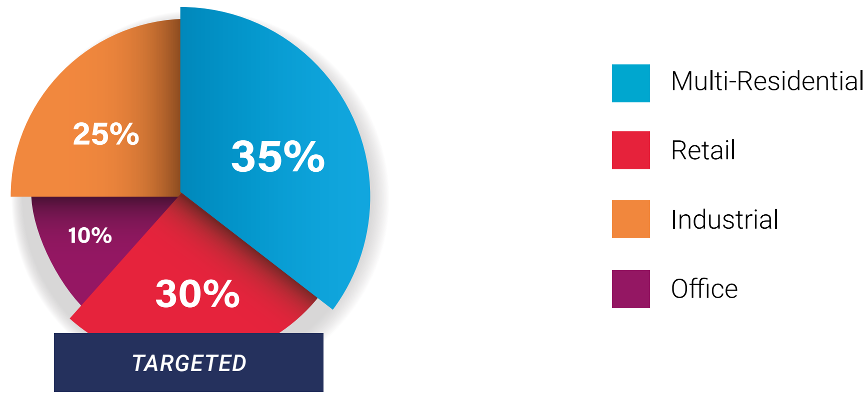
» **Office:**
We maintain a constant monitoring of this asset class market, taking into consideration the tele-homeworking trend as a result of the COVID-19 pandemic. Leasing activity is fuelled by changing tenants' expectations driven by the technology industry and demand for unique technology-enabled space, with amenities in the buildings and its close vicinity. Emergia developed a tenant-oriented acquisition and redevelopment strategy that enables the Corporation to lock long-term tenants based on addressing their specific needs.

Emergia's portfolio fair value diversification by asset class as at March 31, 2022 on a proportionate basis[1] is as follows:

Portfolio Fair Value Diversification by Asset Class as at March 31, 2022

The allocation between the asset classes targeted by the Corporation in its business model is 35% for multi-residential, 30% for retail, 25% for industrial and 10% for office. The Corporation seeks to reach the allocation percentages of its model within approximately two years through strategic and targeted acquisitions and development of current properties under development, provided that market conditions correspond to Emergia's business model.

Targeted Portfolio Fair Value Diversification by Asset Class



[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

The Corporation acquires and develops its assets according to well-defined financial parameters, and based on the following strategy:

» Strategically acquire and develop diversified assets in neighbourhoods with demographic growths, that can generate value creation and achieve superior returns;

» Develop multi-suite residential properties as part of the wider mixed-use strategy, where Emergia can increase density in portfolio properties or new acquisitions such as urban malls to be redeveloped;

» Focus retail activities on proximity services properties and high rated tenants, mainly in secondary markets;

» Concentrate industrial assets acquisition mainly in larger Canadian cities' outskirts;

» Target office assets in secondary markets with high optimization potential;

» Sell non-core properties and redeploy the released capital to acquire or develop additional properties;

» Control the development and construction costs by establishing a documented and structured control policy reflected in all construction contracts.

Over the past few years, Emergia has executed a strategic restructuring plan adopted in 2019 that included a de-leverage of the balance sheet through capitalization and dispositions of non-core assets, and well-targeted acquisitions to better align the portfolio with its business plan. It succeeded with all components of the plan, with the result of enhancing its asset value and future income. Management believes it will optimize its current portfolio and enlarge same with additional value-add strategic acquisitions.

VALUES, VISION AND OBJECTIVES

In everything we do, we are guided by a shared set of values grounded in integrity, determination, excellence, and sustainability. Emergia was built by focusing on its Values, Vision and Objectives.

Our Values

Integrity – Integrity is intrinsic in each of our people and our work. We are guided by solid moral principles, allowing to always act truthfully and honorably, and to maintain a high level of ethical standards.

Determination – Real estate development is filled with challenges at all stages. Determination and perseverance will make the difference in the success or not of a project.

Excellence – Excellence shall always be in our mind if we want to differentiate from others and succeed.

Sustainability – Success of a real estate project is defined by the time-test and its social and environmental impacts. We are determined to make things that will stand to time-test, by concentrating on the performance and the very hight standards of quality and sustainability in each of our properties and projects, all oriented on the creation of a better lifestyle and on the well-being of our tenants and the communities where our projects are realized.

Our Vision and Mission

Our Vision – Emergia's vision is to become a leader in diversified real estate assets in secondary and primary markets, and in selective tertiary markets, mainly in Canada. Management expects to accomplish this through the continuance of the development of the properties it owns, ensuring an organic growth, the pursuance of its selective and structured properties acquisition program, and the disposition of excess land not aligned with its business plan.

Our Mission – Identify, acquire, optimize, develop, and manage strategically selected real estate assets mainly in Canada, ensuring value creation and maximize financial returns to our shareholders through:

- Value-add resulting from the revenue increases in the short-term of the stabilized properties as of the date of acquisition;
- Value-add resulting from the optimization or redevelopment of underperforming assets by densification of the site (expansion of existing or addition of new buildings on the site);
- Value-add and profit resulting from the development and construction of projects on land acquired by the Corporation, which projects are then held on long-term, allowing an organic growth;
- Profit on sales of excess land.

Our Objectives

Leader in Diversified Real Estate – We strive to become a leader in diversified real estate ownership, development, and management, to ensure sustained and solid returns to our shareholders and build a high-yielding portfolio. Emergia's vision is that diversification:

- Reduces global portfolio volatility and increases resilience to economic downturns that may result from changing markets and macro-economic conditions;
- Benefits from attractive opportunities throughout real estate cycles;
- Provides long-term returns that outperform the real estate industry.

The combination of stability and growth is the core of our commitment to creating value for our stakeholders and the communities in which we operate. Our business strategy aims to achieve net asset value appreciation, stable net operating income growth and capital preservation, all with a long-term focus.

Leader in Sustainability – We strive to become a leader in sustainability by using innovative methods of building, with high performance construction materials and environmental features in our future development projects, and in the upgrading or redevelopment of existing properties, thus reducing the environmental footprint and contributing to reduction of greenhouse gas emissions for future generations.

COVID-19 **Pandemic**

Since March 2020, the outbreak of the novel strain of coronavirus ("**COVID-19**") resulted in governments enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, closure of non-essential businesses, self-imposed quarantine periods and social distancing, have caused an economic slowdown and material disruption to business. Governments have reacted with interventions intended to stabilize economic conditions.

With the increasing percentage of the population being vaccinated, provincial governments have lessened restrictions, which has led to a more positive outlook for future economic growth. Despite the positive impact of vaccination programs throughout Canada, industries, including retail and commercial real estate, continue to be affected to varying degrees by the pandemic. It continues to be difficult to predict the duration and impact of the pandemic, if any, on the Corporation's business and operations, both in the short and long-term. Given the evolving circumstances surrounding the pandemic, the duration and severity of any future waves and/or viral strains, the availability and distribution of vaccines, the severity of its impact on the Corporation's business, operations and financial results cannot be estimated with certainty as the extent of the impact will largely depend on future developments, including actions taken to contain the pandemic. Adverse consequences may include, but are not limited to, business continuity interruptions, disruptions and increased costs of development activities and property operations, unfavorable market conditions, and threats to the health and safety of employees, all of which may impact both the Corporation, the Corporation's tenants and the communities in which the Corporation operates.

As at March 31, 2022, as the majority of the investment properties of the Corporation are under development, the Corporation's results have not been significantly impacted by the COVID-19 pandemic. COVID-19 has however an impact on the timing of the Corporation's development projects as the construction of such projects have been delayed from the original plan and on the lease-up period of certain properties that had been completed shortly before the initial COVID-19 emergence. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time and could have a material impact on the Corporation's future financial position and results of operations and cash flows. Emergia cannot predict the extent and severity of the economic disruption flowing from the global pandemic.

In the preparation of these consolidated financial statements, Emergia has incorporated the potential impact of COVID-19 into its estimates and assumptions that affect the carrying amounts of its assets and liabilities and the reported amount of its results using the best available information as at March 31, 2022. Actual results could differ from those estimates. The estimates and assumptions that Emergia considers critical and/or could be impacted by COVID-19 include those underlying the valuation of investment properties and assets held for sale, including discount rates and terminal capitalization rates, operating assumptions and the carrying amount of its investment in an associate and joint venture.

Business Environment **and Outlook**

Global Economic Context

In its January 2022 Monetary Policy Report, the Bank of Canada noted an improvement of the economy in the last half of 2021, as well as some growth in the labor markets and an increase in wages. However, with the emergence of the Omicron variant of COVID-19 in late 2021, the COVID-19 pandemic has once again put pressure on the economy and caused certain governments to temporarily reinstate restrictions on businesses, gatherings, and events. The Bank of Canada believes that the latest variant will have a less severe impact on the economy than the first waves of COVID-19 and anticipates that the economy should pick-up again over the next several months with increased consumer spending and business investments expected. This opinion is confirmed by the OECD which stated in its December 2021 Economic Outlook on Canada, that, with a high vaccination rate, Canada is better prepared than many other countries to withstand such pressures without re-imposition of strict lockdowns. According to OECD, this could result in households spending more than expected, digging into stores of wealth build up earlier in the pandemic. However, significant risks are posed by disruptions to international goods due to plant shutdowns and shipping delays which could bring strong price increases and a recovery in household consumption and trade volumes. Again, according to OECD, supply-chain disruptions have slowed but not arrested Canada's economic recovery.

Since the Corporation's portfolio properties were diversified, the impact of COVID-19 in 2020 and 2021 has been very limited. Most of the income producing properties have been sold in 2020 and 2021 in the execution the Corporation's strategic plan, reinforcing the limited impact on the Corporation. As at March 31, 2022, as the majority of its investment properties were under development, the Corporation's results have not been significantly impacted by the spread of COVID-19. COVID-19 had however an impact on the timing of the development projects as the construction on such projects have been delayed from the original plan and on the lease-up period of certain properties that had been completed shortly before the initial COVID-19 emergence.

Russia's invasion of Ukraine in February 2022 added a new layer of uncertainty on global outlook amid soaring commodity prices reports the RBC in its Provincial Outlook - March 2022 Report. The report adds that they nonetheless expect all provincial economies to continue to grow in 2022, albeit at a slower pace than in 2021 for the most part. It relates strong growth in capital investment intentions across the country, with stronger increases in the provinces of Saskatchewan, Quebec and Nova Scotia.

Real Estate Market in Canada

The **multi-residential** market remained stable in 2021, as national average vacancy rate decreased or held steady in most Canadian centres (of at least 10,000 population), with Toronto among the exceptions, where vacancy rates increased (CMHC – Rental Market Report – February 2022). According to CMHC, the stability in Montreal's vacancy rate was a key factor behind the stability of the overall national vacancy rate, as Montreal's rental market accounts for roughly 30% of the rental market universe well above Toronto (15%) and Vancouver (5%). In 2021, rental affordability continues to pose a significant challenge across the country, as market rents remain above the affordable level for most households. Emergia is starting its re-entry in the multifamily rental apartments market with a well-defined plan, including development of new properties and strategic acquisitions.

The COVID-19 pandemic has, in a general manner, impacted the **retail** landscape across Canada in the past two years. However, the high vaccination rates and health measures across Canada allowed consumers greater access to retailers at various levels during 2021. According to Colliers in its 2022 National Retail Outlook, as a result, Canada's retail vacancy rate declined 100 basis points (bps) from year-end 2020 down to 7.7% in Q4 2021 and with the lifting of many more public health restrictions expected in the first half of 2022, retail fundamentals will continue to improve across the country.

Still according to Colliers, the vacancy rates for all retail property types have seen vacancy rates declined in 2021. Ontario's overall retail vacancy rate fell to 8.8% while the same rate declined to 10.2% in Quebec in Q4 2021. Emergia has been impacted by the pandemic, but in a limited way. Strategically, we strengthened our position in retail properties with the Corporation's acquisition of a 30% interest in an Ontario retail portfolio. Said portfolio has resisted to the downturns of the pandemic, with a decline of only 4.2% in its occupancy rate, that was at 100%. Emergia believes that there may be interesting opportunities arising from the pandemic impact on retail real estate and will remain attentive to the evolution of this asset class market.

As it has been the case throughout the pandemic, the **industrial asset class** continues to show its strength and growth, and Emergia expects this trend will continue for the foreseeable future. CBRE, in its Canada Industrial Figures Q1 2022 confirmed that available space remains scarce in Canada with the availability rate continuing its downward trend and falling 20 bps to a new record low of 1.6% in Q1 2022. Consequently, according to CBRE, the national asking net rental rate grew at its fastest pace on record, rising 17.4% year-over-year to a new record high of $11.20 per sq.ft.and, with nearly every market recording positive net leasing activity. Emergia follows this market and envisages making strategic acquisitions if the right opportunity occurs.

The **office properties** market has been importantly impacted by the COVID-19 pandemic. Nonetheless, Emergia believes that, over time, tenants' in-person operations will resume, and tenants will return, at least partly, to pre-COVID operations mode. Social interaction and the ability to make decisions in real time cannot be totally replicated in a virtual setting. Although some tenants may require less space going forward due to flexible work from home arrangements, Emergia expects this will be partially offset by a requirement for more space per employee and a shift towards private workstations to accommodate social distancing requirements even without COVID-19. CBRE, in its Canada Office Figures Q1 2022 stated that office vacancy continued to press upward after a brief reprieve at year-end, now 16.3%. According to CBRE, the outlook is optimistic with many businesses set to more formally return to in-person work soon. Emergia's business model in office properties is adapted to such change of this market.

Emergia's Turnaround

Despite the uncertain economic environment, 2021 has been one of unprecedented turnaround at Emergia. The Corporation has reached the last phase of its plan of action adopted at the beginning of 2021, which included the concentration of its activities mainly in the provinces of Quebec and Ontario, the reduction of its short-term debt through capitalization, refinancing and disposition of certain assets, and the acquisition of additional income producing and value-add properties. Emergia has passed the crucial stages in the execution of this strategic plan of action, which has earned the Corporation a very significant improvement in its balance sheet, particularly by its deleverage, as shown in the financial statements. These results thus prove remarkable strength and soundness of its plan. Management looks forward to building on last year's achievements and continuing to demonstrate its strong commitment to building value for stakeholders in the forthcoming quarters and years.

In 2021, we succeeded in:

» Reducing the short-term debt significantly through new equity, debt conversion in shares and convertible debentures with standard terms and conditions, through conversion of short-term debt in long-term debt by current lenders and through the sale of properties. In 2021, we managed to reduce the short-term debt from $33.4 million (December 31, 2020) to $13.7 million at year-end 2021.

» Closing for $5.7 million in private placement (units and convertible debentures), comprising $1.2 million in debt conversion and $4.5 million in cash.

» Completing the disposition of assets that did not fit in the Corporation's business model.

» Expanding Emergia's operations in Ontario by acquiring a 100-acre land in Alliston, which is expected to generate significant value-add, and ensuring the Corporation's expansion in Ontario. Said acquisition included a payment of not less than $4.8 million in Class "A" common shares of Emergia at a price of $1.00 per share. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.

» Managing the joint venture that was created in Q-3 2020 to ensure an early development of Emergia's project in Dorval. This development project is expected to be launched in Q3-2022, subject to final approval by the City of Dorval in Q3-2022.

In Q1-2022, we succeeded in:

» Closing, on January 10, of the previously announced private placement and issuance of an additional 4,812,902 units (excluding 294,118 units reserved for issuance as of December 31, 2021) and 250,000 Class "A" common shares for total amount of $3,235,069, composed of $327,002 in cash (excluding $200,000 received in advance for 294,118 units reserved for issuance as of December 31, 2021) and $2,908,067 in payment of outstanding debts ($2,811,568) and consulting fees ($96,499). Each unit, issued at $0.68 per unit, was 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 Class "A" common share at a price of $1.25 per share until October 31, 2023.

» Acquiring, in March, a 30% beneficial interest in an income producing portfolio in Ontario, comprising six plazas in six cities in Ontario and including value-add potential with future development. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.

Going forward, Emergia continues to foresee good opportunities in the multi-residential, industrial, office, and retail asset classes. We therefore intend to pursue in our plan to make further strategic acquisitions and to launch our development projects.

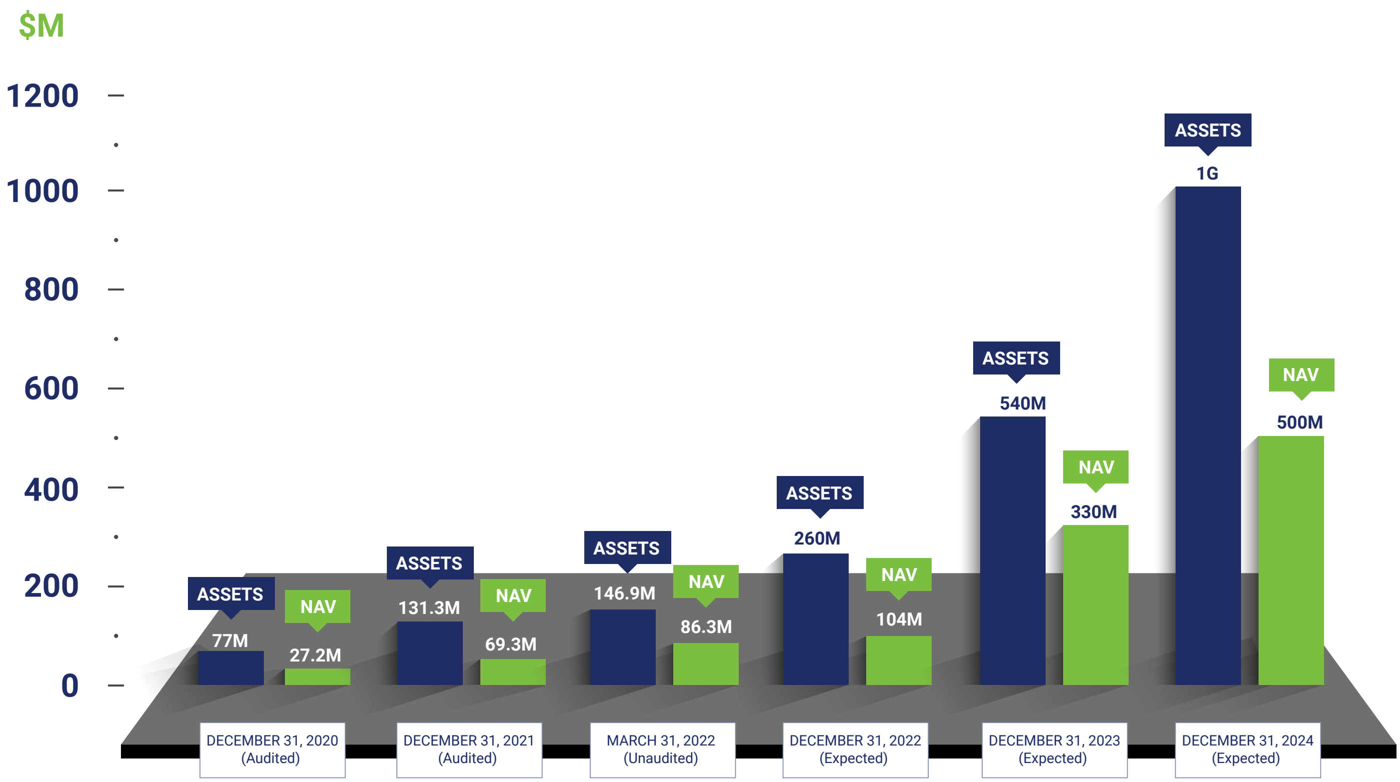
Emergia's 2022 Plan of Action

Emergia intends to capitalize on its previous years' achievements and:

» Proceed to the acquisition of income producing properties in line with Emergia's business model.
» Further capitalize the Corporation.
» Launch development projects on lands it already owns, contributing to its organic growth.
» Generate recurring profits.

As of the date of this MD&A, Emergia's growth strategy for 2022 has already proven itself. Indeed, in March 2022, Emergia announced an acquisition of a 30% interest in a retail portfolio of income producing properties with excess land for future development, the whole, perfectly in line with the Corporation's global business plan. (Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.

Subject to local authorities approving the Corporation's development projects and to Emergia's capacity to execute its organic and external growth strategies, including through the acquisitions in its pipeline on anticipated terms, Emergia intends to increase its portfolio value and its NAV1 over $500 million and $300 million respectively by year-end 2023 and over $1 billion and $500 million by year-end 2024. The following graph illustrates the growth target of the Corporation, on a proportionate basis[1] over the next 2 years based on the foregoing plan:



Based on its past years' experience and achievements, Management is confident that the Corporation's action plan will be carried out as initially established.

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

Presentation of Financial Information **and Non-IFRS Financial**

PRESENTATION OF FINANCIAL INFORMATION

Financial results, including related historical comparatives, contained in this MD&A are based on the Corporation's Q1-2022 Financial Statements and the 2021 Annual Financial Statements, unless otherwise specified.

In the preparation of the consolidated financial statements, Management is required to identify when events or conditions indicate that there is material uncertainty related to such events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. Significant doubt about the Corporation's ability to continue as a going concern would exist when relevant conditions and events, considered in the aggregate, indicate that the Corporation will not be able to meet its obligations as they become due for the period of at least, but not limited to, twelve months from the end of the reporting period. When the Corporation identifies conditions or events that raise potential for significant doubt about its ability to continue as a going concern, the Corporation considers whether its plans that are intended to mitigate those relevant conditions or events will alleviate the potential significant doubt.

The 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. 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 pay or refinance its debts as they come due and to execute its contemplated business plan and ultimately achieve profitable operations. As at March 31, 2022, the Corporation has improved its consolidated statements of financial position with its achievements in 2021 and the acquisition completed in March 2022, as described further below. The Corporation continues to take actions to strengthen its financial position, with concrete transactions executed as of the date of these consolidated financial statements, in debt and equity financing, debt conversion and acquisition of an interest in a portfolio of income producing properties (please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64). The consolidated statements of comprehensive income (loss) disclosed a net income of 4,004,344 for the three months ended March 31, 2022, compared to a net loss of $153,411 for the three months ended March 31, 2021 mainly due to fair value adjustment on investment in associates at acquisition, partially offset by the loss on settlement of a long-term debt.

The Corporation's conclusions about its ability to continue as a going concern for the next twelve months involves significant judgment and is dependent on the Corporation's ability to successfully sell the properties held for sale in accordance with its plan or obtain additional debt or equity funding or manage its discretionary spending to maintain sufficient cash flows from operations. Management believes that it has the ability to realize all of the afore-indicated actions in accordance to its plan. There is no guarantee that the Corporation will succeed in the selling of assets or obtaining additional debt or equity financing or be able to alter the future cash flow forecast. However, with the Corporation's success in 2020 and in 2021 to obtain equity financing, to dispose of assets, to significantly reduce its short-term debt, to renegotiate the terms and conditions of its senior debts, including the maturity date of the debt relating to the Bromont property to June 2023 and the discussions underway to refinance the said debt before the end of its term, and with the Corporation's success since the beginning of 2022 (please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64), Emergia has proven its ability to meet its obligations as they become due. After considering its plans to mitigate the going concern risk, Management has concluded that it has been able to reduce certain material uncertainties related to events or conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern and is continuing to execute on its business plans to ultimately achieve profitable operations.

The 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.

NON-IFRS FINANCIAL MEASURES

In addition to reported IFRS measures, industry practice is to evaluate real estate entities giving consideration, in part, to certain non-IFRS financial measures, non-IFRS ratios and other specified financial measures (collectively, "**non-IFRS measures**") described below. Management believes these non-IFRS measures are helpful to investors because they are widely recognized measures of a real estate company's performance and provide a relevant basis for comparison among real estate entities. In addition to the IFRS results, the Corporation also uses these non-IFRS measures internally to measure the operating performance of its investment property portfolio. These non-IFRS measures should not be construed as alternatives to net income, net cash flows provided by operating activities, total assets, total equity, or comparable metrics determined in accordance with IFRS as indicators of the Corporation's performance, liquidity, cash flows and profitability and may not be comparable to similar measures presented by other real estate companies or enterprises. These non-IFRS measures are defined below and are cross referenced, as applicable, to a reconciliation contained within this MD&A to the most comparable IFRS measure. Non-IFRS measures are not standardized financial measures under IFRS, and might not be comparable to similar financial measures disclosed by other issuers. The Corporation believes these non-IFRS measures provide useful information to both Management and investors in measuring the financial performance and financial condition of the Corporation for the reasons outlined above and below.

NON-IFRS MEASURES	DEFINITION	RECONCILIATION
Emergia's Proportionate Share or Proportionate Basis	All references to "proportionate share" or "proportionate basis" refer to a non-IFRS financial measure representing Emergia's proportionate share of equity accounted investments. Emergia applies the equity method of accounting to its joint venture and associates, as prescribed under IFRS. Management presents the proportionate share of its interests in joint arrangements that are accounted for using the equity method as it is viewed as relevant in demonstrating Emergia's performance.	**Please refer to the following sections:** » Results of Operations » Business and Operations Review - Portfolio Composition » Capital Structure and Liquidity
Funds From Operations ("FFO")	FFO is a non-IFRS financial measure used by most Canadian real estate entities based on a standardized definition established by Real Property Association of Canada ("**REALPAC**")'s January 2022 guidance. FFO is defined as net income and comprehensive income less certain adjustments, including fair value changes in investment properties and derivative instruments, incremental leasing costs and amortization of improvement allowances. FFO is reconciled to net income and comprehensive income, which is the most directly comparable IFRS measure. Management believes FFO is a key measure of operating performance as it provides a perspective on the financial performance of the Corporation that is not immediately apparent from net income determined in accordance with IFRS.	**Please refer to the following section:** » Results of Operations - Funds From Operations (FFO)

NON-IFRS MEASURES	DEFINITION	RECONCILIATION
Adjusted Funds From Operations ("AFFO")	Similar to FFO, the IFRS measurement most comparable to AFFO is profit (loss). Emergia considers AFFO to be an appropriate measurement of a publicly listed investment properties entity as it measures the economic performance after deducting for maintenance capital expenditures to the existing portfolio of investment properties. The Corporation also uses AFFO to assess operating performance and decisions related to investment in capital assets. AFFO is determined by taking the amounts reported as FFO and deducting what is commonly referred to as "Maintenance Capital Expenditures". Maintenance Capital Expenditures are referred to as expenditures that, by standard accounting definition, are accounted for as capital in that the expenditure itself has a useful life in excess of the current financial year and maintains the value of the related assets.	**Please refer to the following section:** » Results of Operations - Adjusted Funds From Operations
Adjusted Real Estate Assets	The IFRS measurement most comparable to Adjusted Real Estate Assets is comprised of investment properties, equity from joint arrangements, equity accounted investment, and cash and cash equivalents. Adjusted Real Estate Assets is useful in summarizing the real estate assets owned by the Corporation and it is used in the calculation of Real Estate NAV (as defined below), which management of the Corporation believes is a useful measure in estimating the entity's value.	**Please refer to the following section:** » Capital Structure and Liquidity – Real Estate Net Asset Value
Adjusted Real Estate Debt	The IFRS measure most comparable to Adjusted Real Estate Debt is total mortgage principal outstanding. Adjusted Real Estate Debt is comprised of total mortgage principal outstanding, total lease liabilities attributable to land leases, and construction loan payable, and other debt specifically related to the Adjusted Real Estate Assets. It is useful in summarizing the Corporation's debt which is attributable to its real estate assets and is used in the calculation of Real Estate NAV (as defined below), which management of the Corporation believes is a useful measure in estimating the entity's value.	**Please refer to the following section:** » Capital Structure and Liquidity - Real Estate Net Asset Value
Net Operating Income ("NOI")	NOI is a non-IFRS financial measure which is calculated as revenues less property operating expenses such as utilities, repairs and maintenance and realty taxes. NOI does not include charges for interest or other expenses not specific to the day-to-day operation of Emergia's properties. The most directly comparable IFRS measure to NOI is operating income. Management believes this is a useful measure as it demonstrates the cash generating operating performance of its income producing properties.	**Please refer to the following section:** » Results of Operations - Net Operating Income

NON-IFRS MEASURES	DEFINITION	RECONCILIATION
Real Estate Net Asset Value ("Real Estate NAV")	The IFRS measure most comparable to NAV is Shareholders' equity. With real estate entities, a distinction shall be made as to the NAV (see below) and the Real Estate NAV which is determined by the Corporation as the Adjusted Real Estate Asset minus the Adjusted Real Estate Debt, which Management of the Corporation believes is a useful measure in estimating the entity's equity on its real estate assets.	**Please refer to the following section:** » Capital Structure and Liquidity – Real Estate Net Asset Value
Net Asset Value ("NAV")	The IFRS measure most comparable to NAV is Shareholders' equity. NAV is the total value of all the assets of the Corporation less all of its liabilities, which Management of the Corporation believes is a useful measure in estimating the entity's equity on its global assets.	**Please refer to the following section:** » Capital Structure and Liquidity - Net Asset Value
Net Debt	Net debt is a non-IFRS measure, as debt less cash and cash equivalents. The most directly comparable IFRS measure to net debt is debt. Management considers net debt a useful measure for evaluating debt levels and interest coverage.	**Please refer to the following section:** » Capital Structure and Liquidity - Outstanding Debt and Principal Maturity Profile
Adjusted Real Estate Debt Ratio	Adjusted Real Estate Debt Ratio is a non-IFRS measure of Emergia's financial leverage, which is calculated by dividing the Adjusted Real Estate Assets by the Adjusted Real Estate Debt. Management considers this metric useful as it indicates Emergia's ability to meet its debt obligations.	**Please refer to the following section:** » Capital Structure and Liquidity – Adjusted Real Estate Debt Ratio
Global Debt Ratio	Global Debt Ratio is a non-IFRS measure of Emergia's financial leverage, which is calculated by adding all debts divided by the total assets. Management considers this metric useful as it indicates Emergia's ability to meet its debt obligations.	**Please refer to the following section:** » Capital Structure and Liquidity – Global Debt Ratio
Occupancy Rate	Occupancy Rate is a measure used by Emergia to give an indication of the current economic health of the Corporation's portfolio by taking the leasable area occupied by clients divided by the leasable area of Emergia's portfolio, excluding the areas currently under development or redevelopment.	-

NON-IFRS MEASURES	DEFINITION	RECONCILIATION
FFO per Share	FFO per Share includes the non-IFRS financial measure FFO as a component in the calculation. The Corporation uses FFO per Share to assess operating performance on a per share basis.	**Please refer to the following sections:** » Results of Operations – Net Operating Income » Results of Operations - Funds From Operations (FFO) » Results of Operations - Adjusted Funds From Operations » Capital Structure and Liquidity - Real Estate Net Asset Value » Capital Structure and Liquidity - Net Asset Value
AFFO per Share	AFFO per Share includes the non-IFRS financial measure AFFO as a component in the calculation. The Corporation uses AFFO per Share to assess operating performance on a per share basis.	
NOI per Share	NOI per Share includes the non-IFRS financial measure NOI as a component in the calculation. The Corporation uses NOI per Share to assess operating performance on a per share basis.	
Real Estate NAV per Share	Real Estate NAV per Share includes the non-IFRS financial measure Real Estate NAV in its composition Management of the Corporation believes it is a useful measure in estimating the entity's value on a per share basis, which an investor can compare to the Corporation's share price which is publicly traded to help with investment decisions.	
NAV per Share	NAV per Share includes the non-IFRS financial measure NAV in its composition Management of the Corporation believes it is a useful measure in estimating the entity's value on a per share basis, which an investor can compare to the Corporation's share price which is publicly traded to help with investment decisions. FFO per Share, AFFO per Share , NOI per Share, Real Estate NAV per Share and NAV per Share are calculated by taking the non-IFRS ratio's corresponding non-IFRS financial measure and dividing by the weighted average number of shares of the Corporation outstanding both on a basic and on a fully diluted basis, which assumes conversion of convertible debentures and warrants determined in the calculation of diluted per share amounts in accordance with IFRS.	

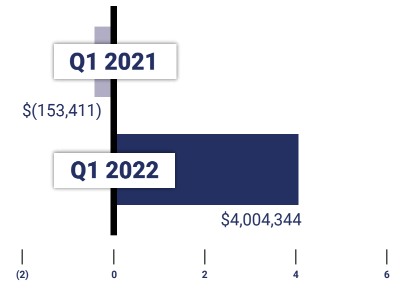
Key Performance Indicators and **Financial Information**

KEYS PERFORMANCE INDICATORS

The analysis of the indicators focuses on trends and significant events affecting the financial condition and results of operations.

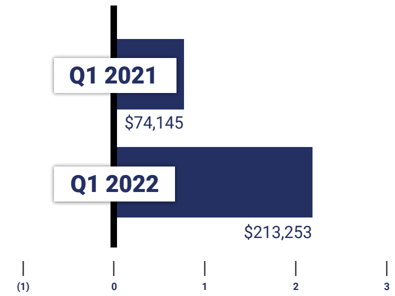
Net Income (Loss) after taxes

Net income for the three months ended March 31, 2022, increased by $4,157,755 over the comparable period in 2021 primarily due to the increase in fair value of the investment in associates partly offset by a loss on settlement of a long-term debt.



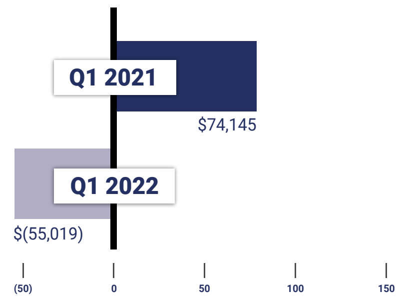
Operating Income

The operating income for the three months ended March 31, 2022 increased by $139,108 to $213,253 or 188%, compared to the same period in 2021, primarily due to dividend income distributed by investment in associates.



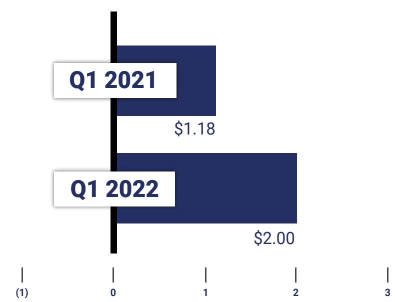
Net Operating Income[1]

The net operating income decreased by $129,164 to $(55,019) or 174%, compared to the same period in 2021, primarily due to disposal in 2021 of two income producing properties in an amount of $5,215,000 with the purchaser assuming all the associated mortgage and liabilities.



Real Estate Net Asset Value per Share[1]

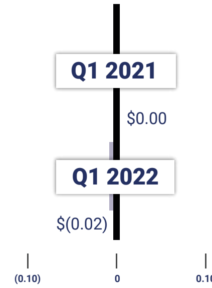
The Real Estate NAV per Share for the three months ended March 31, 2022, increased to $2.00 per share compared to $1.18 for the three months ended March 31, 2021, primarily due to the increase in fair value of asset base measured at the fiscal year ended December 31, 2021 and the acquisition of investment in associates in March 31, 2022, partially offset by the disposal of interests of 25% in the joint venture in 2022.



[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

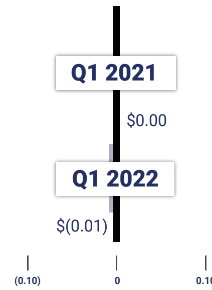
FFO per Share[1]

The FFO per Share decreased by $954,590 in the first quarter of 2022 compared to the same period in 2021, primarily due to a decrease in share of net income from the joint venture and the overall decrease in rental income due to the disposal of income-producing properties in 2021.



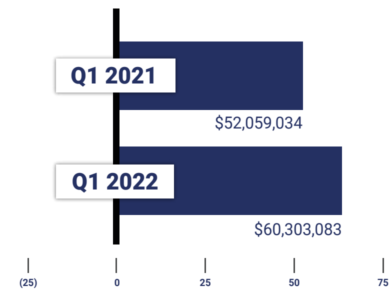
AFFO per Share[1]

The decrease in AFFO per Share by $376,221 for the three months ended March 31, 2022 compared to the same period in 2021, is less than that of the FFO due to the increase in change in working capital, mainly driven by the transfer of refundable deposits into an investment in associates after the closing of the acquisition, and to the debt conversion in January 2022.



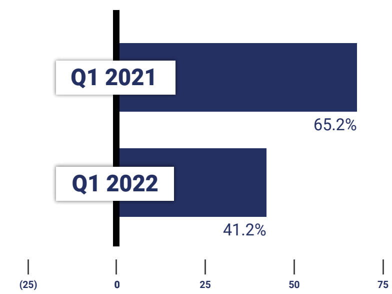
Net Debt[1]

The increase for the three months ended March 31, 2022 was primarily due to the increase in total liabilities, mainly attributable to the acquisition of the land in Alliston, Ontario, the deferred tax liability on fair value adjustment of investments properties as of December 31, 2021, and partially offset by the increase in cash and cash equivalents.



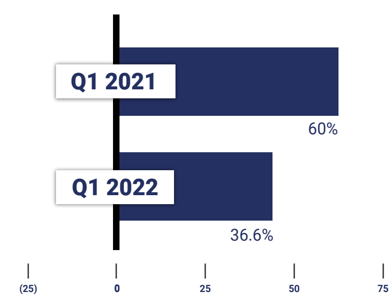
Global Debt Ratio[1]

The decrease for the three months ended March 31, 2022, in the Global Debt Ratio, was primarily due to the larger increase in asset base (mainly driven by the fair value of the investment properties and equity accounted investments), compared to the increase in the liabilities.



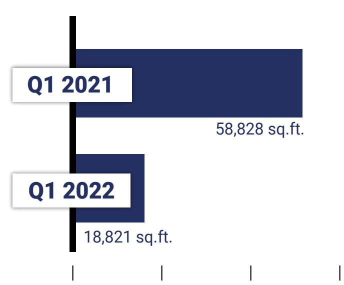
Adjusted Real Estate Debt Ratio[1]

The decrease for the three months ended March 31, 2022, in the Adjusted Real Estate Debt Ratio was primarily due to the larger increase in fair value of the investment properties, equity accounted investments and cash, compared to the increase in the liabilities.



Gross Leasable Area[1]

The decrease for the three months ended March 31, 2022 is due to the disposition of income producing properties with the purchaser assuming all the associated mortgage and liabilities (Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64).



[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

SELECTED FINANCIAL INFORMATION

Emergia has identified key financial and operating performance indicators that were derived from, and should be read in conjunction with, the Q1-2022 Financial Statements. The analysis of the indicators focuses on trends and significant events affecting the financial condition and results of operations of the Corporation.

(IN $, EXCEPT NUMBER OF SHARES)	Three months ended March 31, 2022	Three months ended March 31, 2021
Revenue	**374,524**	48,879
Operating income	**213,253**	4,367
Net income and comprehensive income	**4,004,344**	319,072
Basic Net income per share	**0.09**	0.01
Diluted Net income per share	**0.08**	0.01
Total shares outstanding	**47,493,787**	25,037,157
Basic Weighted average number of shares	**45,073,301**	24,768,000
Diluted Weighted average number of shares	**57,906,225**	24,768,000
NOI[1]	**(55,019)**	74,145
Basic NOI per share[1]	**(0.00)**	0.00
Dilutive NOI per share[1]	**(0.00)**	0.00
FFO[1]	**(901,366)**	53,224
Basic FFO per share[1]	**(0.02)**	0.00
Dilutive FFO per share[1]	**(0.02)**	0.00
AFFO[1]	**(268,996)**	107,225
Basic AFFO per share[1]	**(0.01)**	0.00
Dilutive AFFO per share[1]	**(0.00)**	0.00
Adjusted Real Estate Assets[1]	**142,267,793**	73,813,676
Adjusted Real Estate Debt[1]	**52,094,544**	44,525,247
Real Estate NAV[1]	**90,173,249**	29,288,429
Basic Real Estate NAV per share[1]	**2.00**	1.18
Dilutive Real Estate NAV per share[1]	**1.56**	1.18
NAV[1]	**86,308,999**	27,816,335
Basic NAV per share[1]	**1.91**	1.12
Dilutive NAV per share[1]	**1.49**	1.12
Adjusted Real Estate Debt Ratio[1]	**36.6%**	60%
Global Debt Ratio[1]	**41.2%**	65.2%
Occupancy Rate[1]	**95%**	86%

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

QUARTERLY FINANCIAL INFORMATION

The following is a summary of selected consolidated financial information for each of the eight most recently completed quarters.

	2022	2021				2020		
In dollars, except per-share amounts	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	374,524	166,245	104,606	48,879	235,607	544,957	797,540	573,118
Operating expenses	161,271	(67,052)	62,337	44,512	161,462	238,418	455,596	308,499
Operating Income	213,253	233,297	42,269	4,367	74,145	306,539	341,944	264,619
Administration	538,239	411,364	336,695	965,133	458,587	689,839	673,684	449,388
Financing costs	554,120	1,032,231	593,037	614,736	508,328	1,131,986	2,005,797	989,479
Share of net (income) loss from joint venture	22,260	197,372	52,316	54,373	(945,994)	(12,946)	-	-
(Gain) loss on fair value adjustment	-	(39,411,845)	305	(1,818,224)	-	1,151,655	1,731,346	-
Fair value increase of investment in associates	(6,000,000)							
(Gain) loss on sale of assets	-	250,000	-	-	-	(420,228)	-	-
(Gain) loss on settlement of current and non-current liabilities	-	-	-	(130,723)	206,635	14,057,822	-	-
(Gain) Loss on settlement of long-term debt	1,087,573	(18,025)	-	-	-	4,225,027	-	-
Impairment of investment, bad debts, depreciation	6,717	-	-	-	-	369,968	-	-
Current income taxes and deferred tax expenses	-	4,350,627	-	-	-	43,866	-	-
Net Income (Loss) and comprehensive income (loss)	4,004,344	33,421,573	(940,084)	319,072	(153,411)	(20,886,584)	(4,068,883)	(1,174,248)
Basic Net Income (Loss) per share	0.09	1.13	(0.03)	0.01	(0.01)	(1.10)	(0.18)	(0.08)
Diluted Net Income (Loss) per share	0.08	0.80	(0.03)	0.01	(0.01)	(1.10)	(0.18)	(0.08)

SUMMARY OF QUARTERLY RESULTS

Operating

- The Corporation recorded, during the first quarter ended March 31, 2022, a net income of $4,004,344 (net loss of -$153,411 – same period in 2021). The increase is primarily due to the $6,000,000 increase in fair value of investment in associates, partially offset by the $1,087,573 loss on settlement of a long-term debt involving the disposal of 25% of interest in the joint-venture, and by the slight increase in administration expenses of 17% or 79,652$ and in financing costs of 9% or $45,792.

- Rental Income decreased by 55% at $106,252 during the first quarter ended March 31, 2022 ($235,607 – same period in 2021) primarily due to the disposal of income producting properties in 2021.

- Operating expenses remain stable at $161,271 for the first quarter ended March 31, 2022 ($161,462 – same period in 2021).

- Decrease of 174% of its Net Operating Income to -$55,019, for the first quarter ended March 31, 2022 ($74,145 – same period in 2021) primarily due to the disposal of income producting properties in 2021.

- Real Estate NAV per Share[1] for the quarter was $2.00, an increase of $0.82 per share from the prior year comparable period. The increase is primarily due to the increase in fair value of investment properties and the acquisition of investment in associates.

- Occupancy rate[1] for the income producing property reached 95% as at March 31, 2022 compared to 86% in the same period in 2021 primarily due to the disposal of income producting properties in 2021 with higher vacancy rates.

Financing

- Completed issuance of $3.5 million of units and shares, composed of $546,862 in cash and $2,908,067 in payment of outstanding debts. This closing includes the conversion of an important portion of the directors' and the Management's accrued compensation.

Investing

- In February 2022, the Corporation disposed of half of its 50% interest in the joint venture to its co-shareholder for a price of $560,000 in reduction of a debt in the same amount. The Corporation maintained its option to buy back all the shares of its partner in the said joint venture until September 2023.

- In March 2022, Emergia has purchased an interest of approximately 30% of the total value of a portfolio comprised of six retail plazas in six cities in Ontario. The portfolio includes approximately 568,000 sq. ft. of GLA that is almost fully leased, with an additional development potential of approximately 196,000 sq. ft. of GLA, part of which are under negotiations for 2022.

- $248,700 dividends distributed from investment in associates acquired in March 31, 2022 increased the revenue and the operating income of the Corporation, compared to the same period 2021.

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

Business and **Operations Review**

PORTFOLIO COMPOSITION

The Corporation principally focuses on small to medium-size portfolios based on a diversified asset allocation (multi-residential, retail, industrial, and office), as well as land for future development, mainly in Canada.

Development initiatives are a key component of our business plan, positioning Emergia for long-term growth and value creation. Income producing properties acquired generally offer expansion and redevelopment opportunities, enabling us to add high-quality real estate to our portfolio at a reasonable cost. Properties held for development, generally land, are acquired with the objective to develop income producing properties thereon. In some cases, there can be excess land which held for capital appreciation and may be sold in due course, normally after having added value thereto through zoning change or after having developed our own projects which increases the value of such excess land. The excess land sold are the ones which eventually might not fit within the Corporation's income properties asset classes business model.

Emergia benefits of experienced internal development capabilities as well as sound relationships with strong real estate contractors and developers who share our vision and commitment to building high-quality and sustainable properties, respecting natura and social environments. We are determined to realize and deliver products that will stand to time-test, being community-oriented, sustainable, and low environment footprint. Our long-term pipeline of potential mixed-use developments also allows us to transform and revitalize neighbourhoods into communities that are self-sustaining and inclusive.

As at March 31, 2022, EMERGIA's portfolio included retail and office buildings as well as land for future development and excess land. Emergia's corporate structure and business model have been designed to capitalize on the many advantages the diversification of asset classes offers, including the creation of synergies between the different real estate asset classes, value creation opportunities at all stages of the value chain, and reduction of portfolio volatility and increase of resilience to economic downturns.

Real Estate Portfolio Summary as at March 31, 2022 on a Proportionate Share Basis[1]

As at March 31, 2022, as a result of the acquisition of a 30% average interest in an income producing retail portfolio in Ontario in March 2022, composed of six plazas in six cities located in secondary markets in Ontario (please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64), Emergia's portfolio consisted of 14 investment properties (nine income producing properties and five properties under development), including eight properties held as investment in associates, and one property held for sale, with a total fair value, on a proportionate basis[1], of $174,992,934, composed of $54,625,000 in income producing properties, $118,567,934 in properties under development (including properties under optimization), and $1,800,000 in properties held for sale.

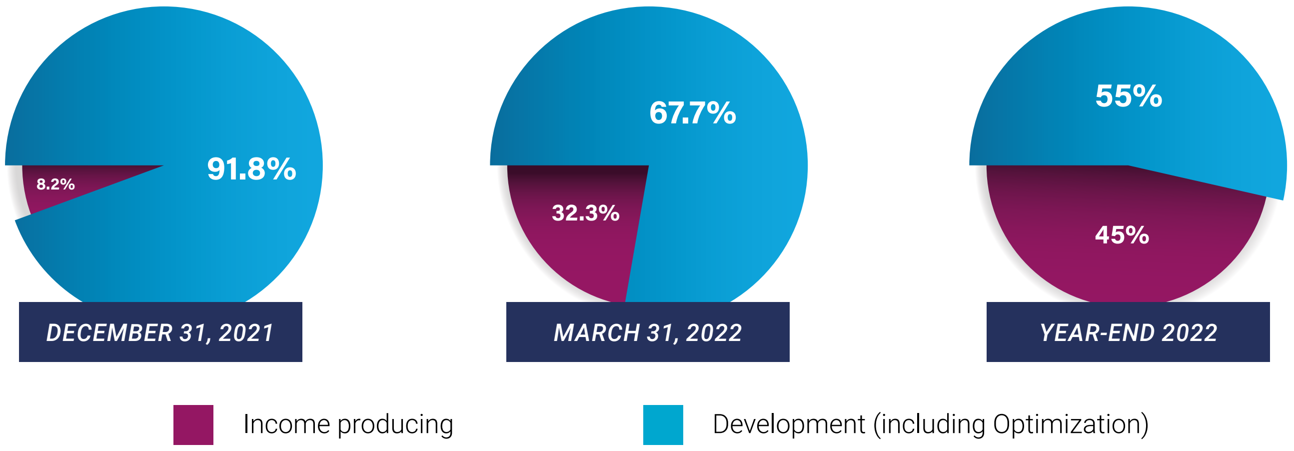
[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

Property Location	Description	Emergia's Proportionate Share	Fair Value on a proportionate basis As at March 31, 2022	Fair Value on a proportionate basis As at December 31, 2021
		%	$	$
121 Lepine, Gatineau, Quebec, Canada	Income producing	100%	4,600,000	4,600,000
185 Dorval Avenue, Dorval, Quebec, Canada	Income producing	25%	1,875,000	3,750,000
117 Lepine Avenue, Gatineau, Quebec, Canada	Income producing	25%	1,050,000	2,100,000
2125 16th Street East, Owen Sound, Ontario, Canada	Income producing	18.72%	5,900,000	-
221 Henry Street, Brantford, Ontario, Canada	Income producing	25.79%	7,000,000	-
783 McLeod Road, Niagara Falls, Ontario, Canada	Income producing	31.8%	7,400,000	-
850 McKeown Avenue, North Bay, Ontario, Canada	Income producing	21.15%	8,000,000	-
15 Robinson Lane, Pembroke, Ontario, Canada	Income producing	45.9%	6,200,000	-
501 Tollgate Road, Cornwall, Ontario, Canada	Income producing	53.1%	12,600,000	-
185.2 Dorval Avenue, Dorval, Quebec, Canada	Development	25%	875,000	1,750,000
Exit 78 of Hwy 10, Bromont, Quebec, Canada [a)]	Development	100%	92,312,215	91,325,000
Curé-Labelle Blvd, Blainville, Quebec, Canada	Development	100%	2,009,304	2,000,000
6485 14th Line, Alliston, Ontario, Canada	Development	100%	21,721,415	21,400,000
Panagopoula, Patras, Greece	Development	30%	1,650,000	1,650,000
472 Knowlton Rd, Lac Brome, Quebec, Canada	Held for sale	100%	1,800,000	1,800,000
		TOTAL	**$174,992,934**	**130,375,000**

[a] *The amount for the year 2021 for the Bromont property includes the amount of $34,330,751 of investment properties and $18,115,163 then classified as "Land held for development" reclassified as investment properties in 2021.*

The allocation between the two core components of the Corporation's investment strategy targeted by the Corporation in its business model is 60% for income producing properties and 40% for properties under development (including the properties under optimization).

The following graphs show the allocation between such two core components as of December 31, 2021 and as of March 31, 2022 and the allocation targeted to be reached at year-end 2022, on a proportionate basis[1]:



[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

The Corporation intends to reach the allocation percentages of its model (60% for income producing properties and 40% for properties under development) in 2023 through development of income producing properties within the current properties held under development and by strategic acquisitions of existing income producing portfolios.

The following table reconciles the consolidated statements of financial position on an IFRS basis to a proportionate basis, a non-IFRS measure, as at March 31, 2022, and December 31, 2021. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.

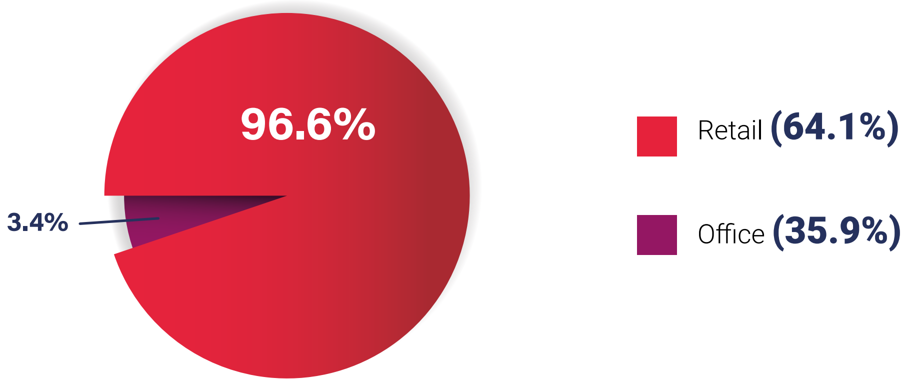
(in Canadian dollars)	March 31, 2022			December 31, 2021		
	IFRS Basis[a]	Reconciliation	Proportionate Share Basis	IFRS Basis[a]	Reconciliation	Proportionate Share Basis
	$	$	$	$	$	$
Assets						
Cash	**275,812**	**1,082,428**	**1,358,240**	437,936	28,379	466,315
Receivables and other receivables	**2,610,277**	**10,103,948**	**12,714,225**	2,989,083	358,031	3,347,114
Prepaids and refundable deposits	**160,305**	**89,336**	**249,641**	1,789,125	57,913	1,847,038
Properties held for sale	**1,800,000**	**-**	**1,800,000**	1,800,000	-	1,800,000
Investment properties and land	**120,642,934**	**45,721,639**	**166,364,573**	119,325,000	9,444,438	128,769,438
Income Producing Properties	**4,600,000**	**43,160,859**	**47,760,859**	4,600,000	5,972,878	10,572,878
Properties under development	**116,042,934**	**2,560,780**	**118,603,714**	114,725,000	3,471,560	118,196,560
Investment in a joint venture	**-**	**-**	**-**	3,306,459	(3,306,460)	-
Investment in associates	**21,349,047**	**(21,349,047)**	**-**	1,650,000	(1,650,000)	-
Investment in a private company	**-**	**-**	**-**	-	-	-
Property and equipment	**49,519**	**-**	**49,519**	2,500	-	2,500
Total assets	**146,887,894**	**35,648,304**	**182,536,198**	131,300,104	4,932,301	136,232,405
Liabilities						
Trade and other payables	**3,181,490**	**992,240**	**4,173,730**	5,951,958	141,995	6,093,953
Income tax payable	**307,732**	**74,423**	**382,155**	307,732	160,500	468,232
Convertible debentures	**16,988,592**	**-**	**16,988,592**	16,588,327	-	16,588,327
Bank mortgages	**2,983,011**	**30,143,742**	**33,126,753**	3,005,653	2,373,306	5,378,959
Long-term debt	**32,122,941**	**4,437,899**	**36,560,840**	31,177,135	2,256,500	33,433,635
Deferred income tax liabilities	**4,995,129**	**-**	**4,995,129**	4,995,129	-	4,995,129
Total liabilities	**60,,578,895**	**35,648,304**	**96,227,199**	62,025,934	4,932,301	66,958,235
Shareholders' equity						
Share capital	**93,860,355**	**-**	**93,860,355**	80,848,486	-	80,848,486
Warrants	**6,347,279**	**-**	**6,347,279**	6,327,418	-	6,327,418
Contributed surplus	**1,742,912**	**-**	**1,742,912**	1,744,157	-	1,744,157
Deficit	**(15,641,547)**	**-**	**(15,641,547)**	(19,645,891)	-	(19,645,891)
Total shareholders' equity	**86,308,999**	**-**	**86,308,999**	69,274,170	-	69,274,170
Total liabilities and shareholders' equity	**146,887,894**	**35,648,304**	**182,536,198**	131,300,104	4,932,301	136,232,405

[a] *The consolidated statements of financial position have been presented on a non-classified basis for purposes of this reconciliation.*

Emergia's portfolio Diversification by Asset Class as at March 31, 2022 on a Proportionate Basis[1]

Emergia's portfolio fair value diversification by asset class as at March 31, 2022 on a proportionate basis[1] is as follows:

Portfolio Fair Value Diversification by Asset Class as at March 31, 2022



Fair Market Value by Asset Class

	March 31, 2022	Acquisitions (Dispositions)[a)]	December 31, 2021
	$	$	$
Retail [b)]	52,750,000	46,050,000	6,700,000
Office [c)]	1,875,000	(1,875,000)	3,750,000
Industrial	-		
TOTAL	**54,625,000**	**44,175,000**	**10,450,000**

[a] *Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64. Represents an acquisition of 18,062,420$ in value net of assumed mortgage ($47,100,000 in gross value) and a disposition of 25% of the Corporation's share in the company 12028735 Canada Inc. (representing a decrease of $1,050,000 corresponding to the Corporation's proportionate share1 of the fair market value of its retail asset).*

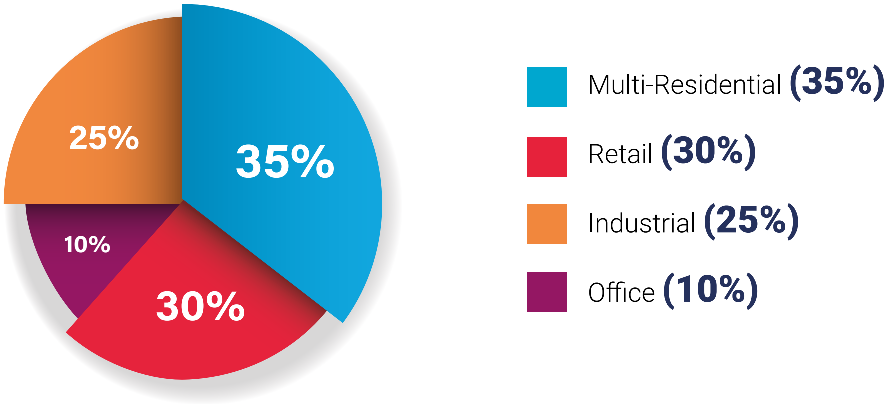
[b] *Composed of the 121 Lepine, Gatineau property and 25% of the property located at 117 Lepine, Gatineau owned through an investment in an associate and 30% of the properties owned through the investments in associates in Ontario.*

[c] *The 25% interest in 12028735 Canada Inc.'s owned property located at 185 Dorval Avenue in Dorval.*

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

The allocation of these asset classes targeted by the Corporation are the following:

Targeted Portfolio Fair Value by Asset Class



The Corporation intends to reach the allocation percentages of its model within approximately two years through strategic and targeted acquisitions and development of current properties under development, provided that market conditions correspond to Emergia's business model.

Valuation Methodology

Investment Properties

Investment properties that are income producing are appraised primarily based on an income approach that reflects stabilized cash flows or net operating income from existing tenants with the property in its existing state, since purchasers typically focus on expected income. Internal valuations are conducted using and placing reliance on both the direct capitalization method and the discounted cash flow method (including the estimated proceeds from a potential future disposition).

Properties undergoing development, redevelopment or expansion are valued either (i) using the discounted cash flow method, with a deduction for costs to complete the project, or (ii) at cost, when cost approximates fair value. Stabilized capitalization rates, discount rates and terminal capitalization rates, as applicable, are adjusted to reflect lease-up assumptions and construction risk, when appropriate. Adjacent land parcels held for future development are valued based on comparable sales of commercial land.

The primary method of appraisal for development land is the comparable sales approach, which considers recent sales activity for similar land parcels in the same or similar markets to estimate a value on either a per acre (or, as the case may be, on a per square foot or square meter) basis or on a basis of per square foot buildable. Such values are applied to Emergia's properties after adjusting for factors specific to the site, including its location, zoning, servicing and configuration.

Investment properties are remeasured to fair value on a recurring basis, using the following methodologies:

(a) Discounted cash flow method - Under this income approach, discount rates are applied to the projected annual operating cash flows, generally over a ten-year period, including a terminal value of the properties based on a capitalization rate applied to the estimated net operating income, a non-IFRS measure, in the terminal year. This method is primarily used to value the rental portfolio.

(b) Comparable sales method – This market approach compares a subject property's characteristics with those of comparable properties which have recently sold. The process uses one of several techniques to adjust the price of the comparable transactions according to the presence, absence, or degree of characteristics which influence value. These characteristics include the cost of construction incurred at a property under development. This method is primarily used to value the development portfolio, including ancillary parking facilities and investment properties held for sale.

Management is responsible for determining the fair value measurements on a quarterly basis, including verifying all major inputs included in the valuation and reviewing the results. Management, along with the Audit Committee, discuss the valuation process and significant assumptions on a quarterly basis. The valuations are performed in due course by qualified external valuators who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

The COVID-19 pandemic has increased the risk and uncertainty surrounding valuation estimates due to limited market activity for comparable transactions, as well as uncertainty regarding the expected length of the pandemic and the resulting impact on the Corporation's cash flows from investment properties. In developing its estimates, management performed an assessment of its tenants and portfolio of investment properties, as well as an evaluation of the changes in the overall market conditions for the asset classes in the Corporation's portfolio since the impact of the pandemic began in early March 2020.

Properties Held for Sale

Properties held for sale are presented at fair value. Management estimates the fair value using the same valuation techniques as investment properties.

Investments in Joint Arrangements and Investments in Associates

For the joint venture arrangements, the Corporation is entitled only to the net assets of the joint venture, using the equity method of accounting. For the joint operation arrangements, the Corporation is entitled to its share of the assets and liabilities and recognizes its rights to and obligations of the assets, liabilities, revenues, and expenses of the joint operation.

Investments in associates are accounted for using the equity method, whereby the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor’s share of the profit or loss of the investee. The Corporation determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Corporation calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and recognizes the amount in the consolidated statements of comprehensive income (loss).

[1] *A non-IFRS measure. Please refer to the “Non-IFRS Financial Measures" section of this MD&A on page 35.*

Portfolio Properties: Income Producing Properties

The Corporation principally focuses on small to medium-size portfolios based on a diversified asset allocation (multi-residential, retail, industrial, and office) mainly in secondary markets. As at March 31, 2022, Emergia owned 100% of one income producing property valued at $4,600,000, eight income producing properties held through associates, Emergia's proportionate share1 being valued at $50,025,000, for a total of $54,625,000. The income producing properties portfolio as at March 31, 2022 and December 31, 2021, on a proportionate basis[1], is further described in the following table:

Property Location	Asset Class	Emergia's Proportionate Share	Fair Value on a proportionate basis As at March 31, 2022	Fair Value on a proportionate basis As at December 31, 2021
			$	$
121 Lepine Avenue, Gatineau, QC, Canada	Retail and Office	100%	4,600,000	4,600,000
185 Dorval Avenue, Dorval, QC, Canada[a)]	Office	25%	1,875,000	3,750,000
117 Lépine Avenue, Gatineau, QC, Canada[a)]	Retail and Office	25%	1,050,000	2,100,000
2125 16th Street East, Owen Sound, ON, Canada[a)]	Retail	18.72%	5,900,000	-
221 Henry Street, Brantford, ON, Canada[a)]	Retail	25.79%	7,000,000	-
783 McLeod Road, Niagara Falls, ON, Canada[a)]	Retail	31.8%	7,400,000	-
850 McKeown Avenue, North Bay, ON, Canada[a)]	Retail	21.15%	8,000,000	-
15 Robinson Lane, Pembroke, ON, Canada[a)]	Retail	45.9%	6,200,000	-
501 Tollgate Road, Cornwall, ON, Canada[a)]	Retail	53.1%	12,600,000	-
Total			**54,625,000**	**10,450,000**

[a] *Property held through investments in associates. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64 and the "Investment in a Joint Venture and Associates" section below.*

Investment in a Joint Venture and Associates

On September 4, 2020, the Corporation entered into a joint venture agreement to own and develop two of its investment properties. The joint venture was formed in a separate legal entity, 12028735 Canada Inc. (the "**JV**"). 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 the JV and the transfer of the following liabilities of the Corporation to the JV: bank mortgages of $4,777,500, long-term debt of $1,150,000 and accounts payable and accrued liabilities of $420,920. This transaction resulted in a loss $2,383,001 related to fair value adjustment.

On October 22, 2020, the Corporation entered into an agreement with lenders for the reimbursement of loans in the aggregate amount of $3,880,000 and related accrued interest of $255,918, for a total of $4,135,918 by transferring the 117 Lepine Avenue property to the lenders for such total amount. Subsequently to such transaction, the JV purchased the said property from these lenders at a price of $4,163,000.

On February 4, 2022, the Corporation disposed of half of its 50% interest in the joint venture to its co-shareholder to reimburse the loan with the carrying value of $560,000, which resulted in a change in ownership interest in the joint venture which became an investment in an associate, with the Corporation continuing to apply the equity method without remeasuring the retained interests.

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.

In March 2022, Emergia has purchased an interest of approximately 30% of the total value of a portfolio comprised of six retail plazas in six cities in Ontario. The portfolio includes approximately 568,000 sq. ft. of GLA that is almost fully leased, with an additional development potential of approximately 196,000 sq. ft. of GLA, part of which are under negotiations for 2022.The total purchase price for the acquisition of Emergia's interest is $41,031,152, which has been paid through the assumption of $28,968,732 of existing mortgages, the issuance of 9,776,800 Class "A" common shares at $1.00 per

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

share, and the balance being paid in cash of $650,000 and the initial deposits of $1,635,620. At the acquisition date, the total fair value of the portfolio appraised by a third-party appraiser was $157,500,000, bringing the Corporation's share of fair value to $47,191,371. Compared to the purchase price of $41,031,152, that would result in a plus value of $6,160,219. While the Corporation is finalizing the accounting treatment, the Corporation recorded the initial acquisition at cost using the consideration given. No subsequent equity pick has been taken at the reporting period.

The following table shows the changes in the carrying value of Emergia's investment in joint venture as at March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
	$	$
Beginning balance	**3,306,460**	2,664,527
Disposal of interest	**(1,647,573)** a)	-
Transferred to investment in associates	**(1,647,573)** a)	-
Contributions	**-**	-
Share of net income	**(11,314)** a)	641,933
Ending balance	**-**	2,664,527

[a] On february 4, 2022, before the disposal, the carrying amount of the investment was $3,925,146, composed of the beginning balance of $3,306,406 as of December 31, 2021 plus the equity pick-up of -$11,314 for January 2022. The disposal of interests, to settle the loan of $560,000, involved transferring 50% of the Corporation's shares valued at $1,647,573 to its joint venture partner, reducing the Corporation's interest from 50% to 25% starting February 4, 2022. The difference between the disposal amount ($1,647,573) and the loan value ($560,000) is recorded as the loss on settlement of a long-term debt of $1,087,573 in the Statement of Income (Loss).

The following table shows the changes in the carrying value of Emergia's investment in associates as at March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
	$	$
Beginning balance	**1,650,000**	1,650,000
Transferred from investment in a joint venture	**1,647,573**	-
Acquisition of interest	**12,062,420**	-
Increase in fair value	**6,000,000** a)	
Contributions	**-**	-
Share of net loss	**(10,946)** b)	-
Ending balance	**21,349,047**	1,650,000

[a] Difference between the cost of the investment and the Corporation's proportionate share of the net fair value of the portfolio's identifiable assets and liabilities according to the fair value appraised by a third-party on acquisition of the investment. No equity pick-up was done as at March 31, 2022.

[b] Share of net loss, incurred at12028735 Canada inc, at 25% from the February to March 31, 2022.

Summarized financial information of the associates at 100% basis as at March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022	December 31, 2021
	$	$
Current assets	**4,431,4324**	888,644
Non-current assets	**171,061,027**	17,238,877
Current liabilities	**2,505,734**	604,991
Non-current liabilities	**112,217,259**	9,259,611
Revenues	**3,431,635**	900,119
Change in fair value of investment properties a)	**15,390,899**	2,000,000
Net income and comprehensive income for the period	**16,339,697**	1,283,866

[a] To adjust for the fair-value done by a third-party appraiser.

Each income producing property as at March 31, 2022 is further described hereinafter.

121 Lépine Avenue, Gatineau

QUEBEC

Strip plaza property comprising institutional tenant (School Board) and well-established tenants, such as PMC Global and Gabriel Pizza. This plaza is located in Gatineau (Sector Buckingham), a growing area in the City of Gatineau, on the main commercial street of Buckingham, neighbouring all the major brands like Maxi, Metro, Canadian Tire, Dollarama, SAQ, Canada Post, etc.

This property, wholly owned by Emergia, is leased at 95% since December 2021, with a lease signed in December 2021 for 15.1% of the total GLA.

19,810
sq.ft. GLA

$4,600,000
FMV

95%
Occupancy Rate[1]

$346,045
Rental Income in 2021

$450,260
Expected Rental Income at Maturity

117 Lépine Avenue, Gatineau

QUEBEC

24,950
sq.ft. GLA

$4,200,000
Total FMV

$107,724
Rental Income in 2021

$1,050,000
Emergia's proportionate share[1] of FMV

$53,862
Emergia's proportionate share[1] of Rental Income (25%)

20%
In lease-up Occupancy Rate

$586,498
Expected Rental Income at Maturity

This property is a two-storey mixed-use building with retail on the ground floor and office on the second. This plaza is located in Gatineau (Sector Buckingham), a growing area in the City of Gatineau, on the main commercial street of Buckingham, neighbouring all the major brands like Maxi, Metro, Canadian Tire, Dollarama, SAQ, Canada Post , School Board, etc.

This property is in its lease-up period. It now has a dental clinic and a national brand as tenant. The lease-up is expected to be completed by the end of 2022.

This property is owned in a joint venture. The Corporation owned 25% of the interest in such joint venture since February 2022. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.

[1] A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.

185 Dorval Avenue, Dorval

185 Dorval Avenue, Dorval, QC

Six-storey office building comprising institutional tenants such as federal government agency, the National Bank, the Dorval School Board, medical clinic, dental clinic, other health related professionals, lawyers, notaries, and various business offices. This property is very well located in the center of Dorval, close to the International Airport, train station, and within minutes' walk from the main commercial plaza of Dorval.

This property is planned to be upgraded and leased-up to create value-add. The lease-up is expected to be completed by the end of 2022.

This property is owned in a joint venture. The Corporation owned 25% of the interest in such joint venture since February 2022. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.

54,118
sq.ft. GLA

$7,500,000
Total FMV

$741,093
Rental Income in 2021

$1,875,000
Emergia's proportionate share[1] of FMV

$370,547
Emergia's proportionate share[1] of Rental Income (25%)

60%
Occupancy Rate

$1,418,178
Expected Rental Income at Maturity

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

ONTARIO

110,900 sq.ft. GLA	**$31,800,000** Total FMV
101,319 Additional sq.ft. GLA	**$5,900,000** Emergia's proportionate share[1] of FMV
$2,387,134 Rental Income in 2021	**100%** Occupancy Rate

$446,818
Emergia's proportionate share[1] of Rental Income (18.72%)

2125 16th Street East, Owen Sound

Strip plaza comprising investment grade tenants, such as Winners, Home Sense, DollarTree, PetSmart, and Michaels. The site is located in one of the most prominent locations in the City of Owen Sound. It is located at the top end of the primary retail strip, and in close proximity to Walmart, Home Depot, and Canadian Tire.

This plaza is currently fully leased and has a potential for additional development allowing to build an additional 101,319 sq.ft. of GLA.

Since March 2022, Emergia owns an interest of 18.72% of the entity owning this property. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.

221 Henry Street, Brantford

Strip plaza comprising investment grade tenants, such as Dollar Tree, PetSmart, Michaels, SportChek and Bed Bath & Behond. This property is well-positioned off the Wayne Gretzky Parkway, just south of one of the major thoroughfares that travels through Brantford, the Alexander Graham Bell Parkway (Highway 403).

This plaza is currently fully leased and has a potential for additional development allowing to build an additional 54,504 sq.ft. of GLA.

Since March 2022, Emergia owns an interest of 25.79% of the entity owning this property. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64

ONTARIO

91,802 sq.ft. GLA	**$27,400,00** Total FMV
54,504 Additional sq.ft. GLA	**$7,000,000** Emergia's proportionate share[1] of FMV
$2,154,025 Rental Income (2021)	**100%** Occupancy Rate

$555,528
Emergia's proportionate share[1] of Rental Income (25.79%)

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

ONTARIO

49,852 sq.ft. GLA	**$23,400,000** Total FMV
40,000 Additional sq.ft. GLA	**$7,400,000** Emergia's proportionate share[1] of FMV
$1,668,366 Rental Income (2021)	**100%** Occupancy Rate

$530,544
Emergia's proportionate share[1] of Rental Income (31.8%)

783 McLeod Road, Niagara Falls

Strip plaza comprising investment grade tenants, such as Bank of Nova Scotia, Rogers Communications, Co-Operators and institutional tenants such as Niagara Region and First Ontario Credit. This site is an excellent retail and residential location. It has excellent exposure and access along McLeod Road at Montrose Road, in proximity to and with full visibility form the McLeod/ QEW interchange. In addition, the property is opposite to the Niagara Square Shopping Centre, and the newly renovated MacBain Community Centre, which includes a public library and YMCA among other public services.

This plaza is currently fully leased and has a potential for additional development allowing to build an additional 40,000 sq.ft. of GLA.

Since March 2022, Emergia owns an interest of 31.8% of the entity owning this property. Please refer to the " Acquisitions and Dispositions" section of this MD&A on page 64.

850 McKeown Avenue, North Bay

Strip plaza comprising investment grade tenants, such as Winners, Michaels, SportChek, Mark's, Dollar Tree and PetSmart. This plaza's location is the most south-after retail location in the entire region. It is surrounded by many significant retailers including Canadian Tire, Sobeys, No Frills, Shoppers, etc. The site is in the newer area of the city, which is experiencing strong residential and commercial growth. It is blocks away from the expanding Nipissing University student housing complexes, as well as the new North Bay Regional Health Centre. The site has tremendous visibility along the Trans-Canada Highway, a signalized entrance on McKeown Avenue and a shared parking lot access with Canadian Tire.

Since March 2022, Emergia owns an interest of 21.15% of the entity owning this property. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.

ONTARIO

135,514 sq.ft. GLA	**$37,800,000** Total FMV
100% Occupancy Rate	**$8,000,000** Emerhia's proportionate share[1] of FMV
$3,698,626 Rental Income (2021)	**$782,259** Emergia's proportionate share[1] of Rental Income (21.15%)

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

ONTARIO

15 Robinson Lane, Pembroke

Strip plaza comprising investment grade tenants, such as Winners, Michaels and SportChek. This property is well located in the City of Pembroke, which is the largest service centre between Ottawa and North Bay.

Since March 2022, Emergia owns an interest of 45.9% of the entity owning this property. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.

64,564 sq.ft. GLA	**$13,400,000** Total FMV
100% Occupancy Rate	**$6,200,000** Emergia's proportionate share[1] of FMV
$1,256,136 Rental Income (2021)	**$577,163** Emergia's proportionate share[1] of Rental Income (45.9%)

501 Tollgate Road, Cornwall

Strip plaza comprising investment grade tenants, such as Dollar Tree, Mark's, and SportChek. The property Is strategically positioned along Cornwall's main arterial, Brookdale Avenue (Hwy #138) which connects Highway 401 to downtown, and the Seaway International Bridge connecting to the US. It is shadow anchored by Home Depot immediately to the south and located between the 401/Brookdale Ave interchange and the existing downtown. This intersection and immediate area are expected to see future infrastructure improvements and further retail development in the near-term, which will add to the amount of consumer traffic drawn to this area on a consistent basis.

The plaza has an occupancy rate of 78.5% at the date of this MD&A. However, leasing agreements have been concluded and the plaza will be 100% leased in Q4-2022.

Since March 2022, Emergia owns an interest of 53.1% of the entity owning this property. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.

ONTARIO

115,910 sq.ft. GLA	**$23,700,000** Total FMV
70% Occupancy Rate	**$12,600,000** Emergia's proportionate share[1] of FMV
$2,247,049 Rental Income (2021)	**$1,192,708** Emergia's proportionate share[1] of Rental Income (53.1%)

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

Leasing and Occupancy

Occupancy and Lease Renewals

FOR THE THREE MONTHS ENDED MARCH 31, 2022
For the three months ended March 31, 2022, the average occupancy rate[1] for the Corporation's income producing properties increased by 9% from the same period in 2021, reaching 95% occupancy rate. For the three months ended March 31, 2022, there has been no renewal.

User Profile

The following table sets out Emergia's user-mix based of rental revenue percentage, on a proportionate share basis[1], for the three months ended on March 31, 2022:

TENANT CATEGORY	121 LEPINE	117 LEPINE [a)]	185 DORVAL	6 PLAZA, ON
Government Agencies and Institutional	31.82%	0.00%	22.30%	3.80%
Investment Grade and National Brands	38.91%	23.50%	24.50%	90.40%
Medical Related	0.00%	76.50%	17.10%	0.00%
Other Tenants	29.27%	0.00%	36.27%	5.80%
TOTAL	**100%**	**100%**	**100%**	**100%**

[a] *This property is in lease-up, with a current occupancy rate of 20%. Consequently, the figures above for this property must take into consideration that the user profile for this property may change significantly, since the 80% empty space may be leased to various categories of tenants.*

Lease Maturity Profile

As at March 31, 2022, the GLA occupancy rate[1] in Emergia's income producing properties is 95% and its weighted average lease term is 5.2 years.

The table below indicates the Corporation's future minimal rental revenue for the next five years (from January 1, 2022 to December 31, 2026) for the income producing properties owned directly by Emergia and through joint arrangements, including the 25% interest in 12028735 Canada Inc. and the 30% interest in the 6-Plaza in Ontario acquired in March 2022. The Corporation's future minimum lease rental income, on a proportionate share basis[1], for the years 2022 to 2026, based on its portfolio as of the date of this MD&A and on the in-place leases with contracted rent increases but excluding any contractual renewal options, is as follows:

Building	Total	2022	2023	2024	2025	2026
	$	$	$	$	$	$
121 Lepine, Gatineau, Quebec, Canada	2,068,775	403,097	424 ,279	436,125	441,721	363,553
117 Lepine Avenue, Gatineau, Quebec, Canada [a)]	146,663	28,589	29,073	30,964	31,830	26,207
185 Dorval Avenue, Dorval, Quebec, Canada [a)]	439,844	171,058	123,462	102,132	37,406	5,786
2125 16th Street East, Owen Sound, Ontario, Canada [b)]	2,199,961	334,518	461,522	465,179	466,725	472,018
221 Henry Street, Brantford, Ontario, Canada [b)]	2,649,731	416,410	556,599	557,583	559,310	559,828
783 McLeod Road, Niagara Falls, Ontario, Canada [b)]	3,339,126	397,918	688,360	758,722	760,711	763,416
850 McKeown Avenue, North Bay, Ontario, Canada [b)]	3,733,174	585,743	782,124	784,623	788,587	792,097
15 Robinson Lane, Pembroke, Ontario, Canada [b)]	2,760,385	432,586	577,189	580,834	584,701	585,074
501 Tollgate Road, Cornwall, Ontario, Canada [b)]	4,801,494	746,814	1,010,659	1,011,050	1,013,912	1,019,060
Total	**22,139,153**	**3,516,732**	**4,623,267**	**4,727,212**	**4,684,903**	**4,587,039**

[a] *Property held in an investment in an associate. The numbers represent Emergia's proportionate share of 25% in such associate.*
[b] *The amount for 2022 is on a 9-month basis as the acquisition was made in March 2022, being a 30% interest as an investment in an associate.*

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

As indicated in the table above, the acquisition of the 6-Plaza portfolio in Ontario in March 2022 changes the 5-year future minimum lease rentals figures for Emergia, bringning its rental revenues over $4 million per year as of 2023. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.

Portfolio Properties: Properties Under Development

As per its business model, Emergia believes in investing in full-scale development opportunities that produce higher portfolio returns resulting from the added-value created by the development and revenues generated by the developed incoming producing properties resulting therefrom.

Emergia currently owns lands for development in Bromont, Blainville and Dorval in the province of Quebec and in Alliston in Ontario.

As at March 31, 2022, Emergia owned 100% of three properties under development valued at $116,042,934, one property under development held through an associate (25%) valued at $875,000 (Emergia's proportionate share1), and one property under development held through an investment in an associate (30%) valued at $1,650,000 (Emergia's proportionate share1), for a total fair value of $118,567,934. The properties under development, on a proportionate basis[1], are further described in the following table:

Property Location	Asset Class	GLA Development Potential (sq.ft.)	Emergia's Proportionate Share	Fair Value on a proportionate basis As at March 31, 2022	Fair Value on a proportionate basis As at December 31, 2021
				$	$
Land in Bromont, Canada	Mixed retail and multifamily	720,000	100%	92,312,215	91,325,00
Land in Alliston, Canada	Mixed retail and multifamily	550,000	100%	21,721,415	21,400,000
Land in Blainville, Canada	Multifamily	170,000	100%	2,009,304	2,000,000
185 Dorval Avenue, Dorval, QC, Canada[a)]	Mixed retail and multifamily	n/a	25%	875,000	1,750,000
Aigialeia, S.A., Greece[b)]	Hospitality	n/a	30%	1,650,000	1,650,000
		1,440,000		**118,567,934**	**118,125,000**

[a] *This property is in an investment in an associate in which Emegia owned 25% as of March 31, 2022 (value of $875,000 at that date). The GLA Development potential of this property of approximately 101,230 sq.ft., is not taken into account in the Corporation's future GLA Development Potential. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.*

[b] *Emergia, through its subsidiary Delma Resorts & Hotels GP Canada Inc. owns 30% of AIGIALEIA S.A., the entity that owns 100% of a 30,000 s.m. seafront resort project in Panagopoula, near Patras, in Western Greece. The project comprises 48 Bungalow-type rooms and a hotel, which is about 65% completed. The Corporation anticipates selling its interest in Aigialeia S.A. in the foreseeable future.*

As indicated in the above table, Emergia benefits of a potential organic growth of approximately 1.44 million sq.ft. of GLA, excluding the properties under development in the joint arrangements, within the coming years.

Each property under development as at March 31, 2022 is further described hereinafter. The expected development to be realized in our current properties under development will depend on the zoning changes underway and final approval of each of these projects.

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

Pure Bromont

Exit 78 of Highway 10 in Bromont, QC

Development land of approximately 17,000,000 sq. ft. comprising 10,600,000 sq.ft. of developable land and over 6,000,000 sq.ft. reserved to compensate for wetlands and biodiversity. There has been an agreement with the Ministry of Environment on the compensation related thereto.

Very well located, with full exposure and access, at Exit 78 of Highway 10 in Bromont, in Quebec's Eastern Townships. The site is at 50 minutes from Montreal and Sherbrooke and 45 minutes from US Border.

The site is currently zoned commercial (including recreotouristical) for part and residential for another part.

Approximately
17,000,000
sq. ft. of Land under development

$92,312,215
FMV

Planned Development

The final development plan for this property is not yet completed as it depends on final approval by the city. In any case, the Corporation expects to benefit of the capital appreciation of the land.

Retail and Recreotouristical Component:

- **Phase 1** is divided in sub-phases which will include a highway services project (restaurants, convenience store, gas station, etc.) and retail stores.
- **Phase 3** will comprise a pedestrian street with retail boutiques, restaurants, etc. on the ground floor and condo-hotels to be sold or leased to an operator on the second and third floors. Phase 3 will also include other retail stores outside the pedestrian street.
- **Phase 5** is zoned commercial (retail).
- **Phase 6** is authorized for cellular tower and a land lease is already in place.
- **Phases 1, 3 and 5** will be developed in retail by Emergia (GLA of approximately 720,000 sq.ft.) which the Corporation expects to hold for the long-term. Emergia will also sell parcels of land and condo-hotels to operators.

Residential Component:

- **Phase 2** is zoned for low density (1 house per hectare) and is expected to be rezoned to medium density in the course of 2022 or early 2023.
- **Phase 4** is in a reserve for future development, which development is to be authorized once Phase 2 has reached a certain level of construction. Phase 4 rezoning is expected to become low and medium density in the course of 2023.
- **Phases 2 and 4** will either be developed by Emergia, partly alone and partly through joint ventures, or partly sold to contractors, for housing and condos (multiresidential). Among others, Emergia intends to develop multifamily apartment buildings in these phases.

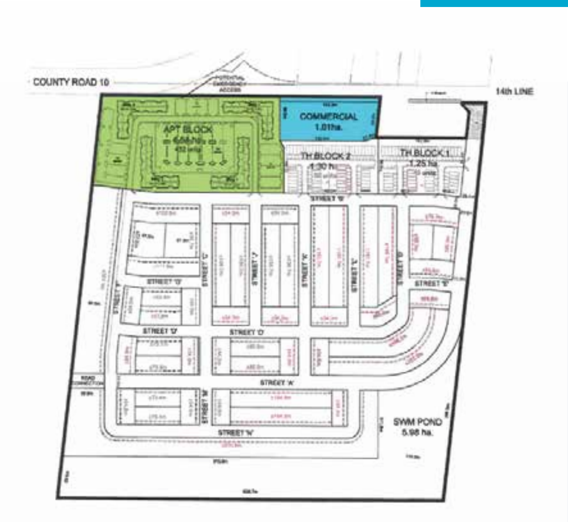
Development Financing

Globally, out of the 10.6 million sq.ft. of developable land, Emergia expects to develop the majority part of it and either joint venture for the development of the remaining land or, as the case may be, sell any excess land, if any, that would not be developed internally by the Corporation or through joint ventures, with the balance of the land being reserved to compensate for wetlands and biodiversity. Emergia is in advanced discussions for the financing of the whole project through a development credit facility. Considering the value of the land, no additional capital, except standard debt financing, is expected to be required for the construction of this project, as the expected loan to value ratio is within the parameters of the lenders' standard requirements with the land value alone. Also, if required, part of the proceeds of the excess land sales will be reinvested into the development.

EXPECTED TIMELINE:

Q4-2022	Q1-2023	Q2-2023
» Approval by the City of the infrastructures (crossing the Highway 10). » Development of construction plans for Phases 1.1 and 3.1.	» Launching of the construction of the infrastructures. » Approval of construction plans for Phases 1.1 and 3.1.	» Launching of the construction of Phase 1.1. » Launching of the construction of Phase 3.1.

ALLISTON



6485 14th Line, Alliston ON

Development land of 99.44 acres (4,331,606 sq.ft.) located on 14th Line in Alliston (New Tecumseth) in Simcoe County, Ontario. Very well located at the junction of 14th Line and Industrial Parkway, with access on the 400 Hwy.

Very well located at proximity of the Honda Canada plant, located at less that 1 km from the site. The land is also close to city's infrastructures such as soccer fields.

The current zoning is Employment 2 (light industrial) and commercial corridor. A zoning change process is underway to residential (single and multi-family) and commercial corridor.

4,331,606
sq. ft. of Land under development

$21,721,415
FMV

Planned Development

The plan for the final use of this property is not yet determined as it depends on zoning change. In any case, the Corporation expects to benefit of the capital appreciation of the land. Should the zoning change from Employment-2 to residential not be confirmed, the Corporation intends to proceed to the development of industrial income producing properties.

If the zoning change is confirmed, the expected development is defined as follows:

Single family homes: Once rezoned, it is expected that approximately **81.24 acres** (gross acorage – representing 70.3 acres net) would be designed as single-family homes (houses or townhouses). Should the zoning change be confirmed, Emergia expects to sell this part of land to single-family homes developers or contractors or joint venture to develop same.

Multi-residential: After completion of the zoning change, there would be **12 acres** designated as multi-family to build apartment buildings (up to 500 units). This development would be kept on the long-term by Emergia.

Retail: Emergia intends to develop a proximity services strip plaza (approximately 50,000 to 60,000 sq.ft.) on the **2.47 acres** planned to be maintained as commercial corridor.

Development Financing

Emergia plans to finance the construction of the 500 units multifamily rental apartments and the 50,000 to 60,000 sq.ft. retail plaza through standard bank financing. Considering the value of the land and the expected profit on the sale of the excess land, no additional capital is expected to be required for the construction of this project, as the loan to value ratio is within the parameters of any lenders' standard requirements.

EXPECTED TIMELINE:

Q3-2022	Q1-2023	Q3-2023 to Q4-2025
» Zoning change approval.	» Sale of single-family land » Draft plan approval for the development project.	» Development of the multi-family and retail components.

QUEBEC

185.2 Dorval Avenue, Dorval

Land for development adjacent to the income producing property (185, Dorval Avenue) already owned by the joint venture. This property is very well located in the center of Dorval, close to the International Airport, train station, within minutes' walk from the main commercial plaza of Dorval, and adjacent to the office building that contains various health professional clinics.

The project has been approved with respect to zoning for a mixed-use retail on the ground floor and multi-residential on the 6 additional storeys.

This property is owned in a joint venture. The Corporation owned 25% of the interest in such joint venture since February 2022. Please refer to the "Acquisitions and Dispositions" section of this MD&A on page 64.

45,000
sq. ft. of Land under development

$3,500,000
Total FMV

$875,000
Emergia's proportionate share[1] of FMV (25%)

Planned Development

Mixed-use 7-Storey Building: The project to be developed will consist in a for a seven-storey building comprising one storey (ground floor) retail and six storeys of multi-residential apartment building. The ground floor will consist of approximately 9,000 sq.ft. of retail GLA and the six multi-residential floors will comprise 96 rental apartments totaling approximately 92,230 sq.ft. GLA.

Development Financing

This property is owned in a joint venture where Emergia owns 25% interest as at the date of this MD&A. The construction of this project is planned to be financed through standard bank financing. Considering the value of the land, which is free of any mortgage, the additional capital expected to be required from Emergia (25%) for the construction of this project is approximately $250,000 (25% of $1M), based on standard loan to value ratio when CMHC is involved in the financing.

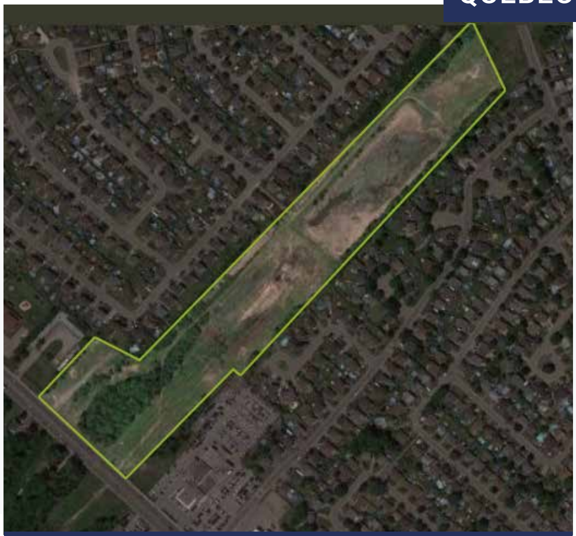
EXPECTED TIMELINE:

Q3-2022	Q4-2022	Q1-2023
» Obtention of circulation study (completing the approval process studies). » Final approval of the project.	» Approval of construction plans.	» Start of construction.

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

QUEBEC

Curé-Labelle Blvd, Blainville



231,699
sq. ft. of Land under development

$2,009,304
FMV

Land under development

Development land located on the main boulevard in Blainville, nearby large residential components and major retail facilities.

The current zoning is retail, but we are in the process of proceeding to a zoning change for multi-residential rental apartments, in a eight-storey building.

Planned Development

Multi-residential 8-Storey Apartment Building: The project to be developed will consist in a for an eight-storey building comprising up to 175 units, totaling approximately 170,000 sq.ft. GLA.

Development Financing
Emergia plans to finance the construction of this multifamily rental apartments through standard bank financing. Some capital injection is expected to be required for the construction of this project, which the Corporation intends to use the capital from its other projects therefore, and to finance the balance through bank financing.

EXPECTED TIMELINE:

Q4-2022	Q1-2023	Q3-2023
» Pre-approval of the zoning change.	» Final approval of the zoning change.	» Approval of the construction plans. » Start of the construction of the project.

Portfolio Properties: Properties Held for Sale

As of March 31, 2022, Emergia has a property held for sale as described below:

Property Location		March 31, 2022	December 31, 2021
		$	$
472, Knowlton Rd, Lac Brome, Quebec, Canada	Re-Development	1,800,000	1,800,000
TOTAL		**1,800,000**	**1,800,000**

The Lac Brome property was initially planned to be re-developed for its retail portion with the sale of the excess land for single family homes or condos. Advanced discussions are currently underway in view of such sale.

ACQUISITIONS AND DISPOSITIONS

Acquisitions and Dispositions of Properties in Q1-2022

a) **Disposition of 25% interest in the Joint Venture**
On February 4, 2022, the Corporation disposed of half of its 50% interest in the joint venture to its co-shareholder to reimburse the loan with the carrying value of $560,000. The Corporation maintained its option to buy back all the shares of its partner in the said joint venture until September 2023.

b) **Acquisition in March 2022 of a 30% interest in a 6-Plaza Portfolio in Ontario, Canada**
In March 2022, Emergia has purchased an interest of approximately 30% of the total value of a portfolio comprised of six retail plazas in six cities in Ontario. The portfolio includes approximately 568,000 sq. ft. of GLA that is almost fully leased, with an additional development potential of approximately 196,000 sq. ft. of GLA, part of which are under negotiations for 2022.The total purchase price for the acquisition of Emergia's interest is $41,031,152, which has been paid through the assumption of $28,968,732 of existing mortgages, the issuance of 9,776,800 Class "A" common shares at $1.00 per share, and the balance being paid in cash of $650,000 and the initial deposits of $1,635,620. At the acquisition date, the total fair value of the portfolio appraised by a third-party appraiser was $157,500,000, bringing the Corporation's share of fair value to $47,191,371 compared to the purchase price of $41,031,152, that would result in a plus value of $6,160,219. While the Corporation is finalizing the accounting treatment, the Corporation recorded the initial acquisition at cost using the consideration given. No subsequent equity pick has been subsequently taken at the reporting period.

Acquisitions and Dispositions of Properties in 2021

c) **Disposition of 9700 St-Laurent Boulevard, Montreal, Quebec, Canada**
In the second quarter of 2021, the Corporation disposed of the property located at 9700 St-Laurent Boulevard for proceeds of $1,550,000. The purchaser assumed the associated mortgage, payables and liabilities.

d) **Disposition of 475-489 Le Breton Street and 505-531 Le Breton Street, Longueuil, Quebec, Canada**
In the second quarter of 2021, the Corporation disposed of the properties located at 475-489 and 505-531 Le Breton Street for total proceeds of $3,665,000. The purchaser assumed the associated mortgage, payables and liabilities.

e) **Acquisition of Three Lots in Bromont, Quebec, Canada**
In the second quarter of 2021, the Corporation bought three lots from the City of Bromont at the cost of 1$ as these lots were part of a retrocession agreement of the said lots resulting from a former expropriation by the City and the Ministry of Transport of larger lands to build road infrastructures on the Bromont site owned by the Corporation approximately fifteen years ago. They were recorded initially at cost, and with their undetermined use, Management deemed that the criteria for the classification as investment properties in accordance with IAS 40 was satisfied and those lands would subsequently be measured using fair value as of December 31, 2021. Please refer to paragraph h) below with respect to the disposal of one of these three lots.

f) **Acquisition of Land in Alliston, Ontario, Canada**
On May 3, 2021, the Corporation purchased a land of approximately 100 acres located in Alliston, Ontario for a purchase price of $14.4 million (excluding closing costs and land transfer taxes). 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" common shares of the Corporation. 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 May 3, 2023, plus a participation in the profits of the project.

g) **Disposition of 860 Cite-des-Jeunes Boulevard, St-Lazare, Quebec, Canada**
In the third quarter of 2021, the Corporation disposed of the property located at 860 Cité-des-Jeunes Boulevard, for proceeds of $1,380,000. The proceeds were used to repay the associated mortgage, payables and liabilities.

h) **Disposition of One Lot in Bromont, Quebec, Canada**

Subsequently to the purchase of three lots mentioned in paragraph c) above, Management changed the intention of use of one lot during negotiations with a lender. The said lot would be used to reimburse part of the loan at an agreed-upon selling price, which gave rise to a fair value adjustment of $1,200,000, using the criteria set out by a third-party appraisal for the same type of transactions. The deal was closed in December 2021 whereby it was agreed to reduce the debt amounting to $1,310,474, to $1,292,449 to be paid as follows: (i) transfer of the land at a price of $1,208,021, and (ii) payment of the balance of $84,428 in ten equal monthly payments starting in January 2022. The settlement resulted in a gain on settlement of long-term debt of $18,025, as separately disclosed in the consolidated statements of comprehensive income (loss).

i) **Disposition of a Minority Interest Into a Company**

In the fourth quarter of 2021, the Corporation disposed of the investment of its minority interest in a private company, resulting in a $250,000 loss on disposal of an investment.

As at March 31, 2022 and December 31, 2021, a reconciliation of the investment properties is as follows:

	Income Producing Properties		**Properties Under Development**		**Total**	
	March 31, 2022	December 31, 2021	**March 31, 2022**	December 31, 2021	**March 31, 2022**	December 31, 2021
Balance, beginning of the year	**4,600,000**	9,166,775	**114,725,000**	40,322,276	**119,325,000**	49,489,051
Disposal of 9700 St-Laurent Blvd., Montreal, Canada	**-**	(1,550,000)	**-**	-	**-**	(1,550,000)
Disposal of 475-489 Le Breton and 505-531 Le Breton, Longueuil, Quebec, Canada	**-**	(3,665,000)	**-**	-	**-**	(3,665,000)
Disposal of 860 Cite-des-Jeunes, St-Lazare, Quebec, Canada	**-**	-	**-**	(1,380,000)	**-**	(1,380,000)
Transfer of assets in a joint venture	**-**	-	**-**	-	**-**	-
Settlement of liabilities	**-**	-	**-**	(1,208,021)	**-**	(1,208,021)
Acquisition of the Land in Alliston, Ontario, Canada	**-**	-	**-**	15,038,019[a)]	**-**	15,038,019
Other acquisitions	**-**	-	**-**	1[a)]	**-**	1
(Decrease) Increase in fair value of investment properties		648,225	**-**	40,581,539	**-**	41,229,764
Borrowing costs[b)]	**-**	-	**1,240,510**	4,552,744[b)]	**1,240,510**	4,552,744
Development costs	**-**	-	**77,424**	503,279	**77,424**	503,279
Reclassified from Land held for development	**-**	-		18,115,163	**-**	18,115,163
Reclassified to properties held for sale	**-**	-		(1,800,000)	**-**	(1,800,000)
Balance, end of year	**4,600,000**	4,600,000	**116,042,934**	114,725,000	**120, 642,934**	119,325,000

a) *In the cash flow from investing activities, the additions to investment properties of $77,424 resulted from development cost expenditures.*

b) *The weighted average borrowing rate, excluding convertible debentures, is 14.35% (2021 – 14.35%). For the borrowing rate related to convertible debentures, please refer to the "Convertible Debentures" section of this MD&A on page 76.*

SUBSEQUENT EVENTS

Private Placements

On April 8, 2022, the Corporation completed another closing of a private placement for a total amount of $1,305,000 in cash, composed of $705,000 of unsecured convertible debentures and $600,000 in units of the Corporation at a price of $0.80 per unit. The Debentures bear interest at the rate of 8% per year, accruing in arrears, payable semi-annually in cash or in Class "A" common shares of the Corporation. The debentures are convertible at the holder's option into one unit (the "Debentures Units") of the Corporation at a conversion price of $0.90. Each Debenture Unit is composed of one Class "A" common share in the capital of the Corporation and two (2) warrants of the Corporation: (i) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.25 per share until October 31, 2023 and (ii) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.50 per share until October 31, 2024. In the event that, during the term of the debentures, the volume weighted trading price of the Class "A" common shares for the last 20 days on the CSE is equal to, or greater than $1.50 per share, the Corporation may then force the conversion of the debentures into Debenture Units. Each unit, issued at $0.80 per Unit, is 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 Class "A" common share at a price of $1.25 per share until October 31, 2023.

On April 14, 2022, an holder of unsecured convertible debentures converted an amount of $425,000 of its debentures into units of the Corporation at $0.85 per unit, each unit being composed of one Class "A" common share in the capital of the Corporation and two (2) warrants of the Corporation: (i) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.25 per share until October 31, 2023 and (ii) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.50 per share until October 31, 2024.

Results of **Operations**

The following sets out summary information and financial results for the three months ended March 31, 2022, and the comparable period in 2021.

NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

The following table reconciles the consolidated statements of income and comprehensive income on an IFRS basis to a proportionate basis, which is a non-IFRS measure, as at March 31, 2022 and March 31, 2021 . Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.

	March 31, 2022			**March 31, 2021**		
(in Canadian dollars)	**Consolidated Statement of Income Loss**	**Adjustment for Proportionate Share**	**Proportionate Share**	Consolidated Statement of Income Loss	Adjustment for Proportionate Share	Proportionate Share
Revenues	**374,524**	**55,541**	**430,065**	235,607	112,823	348,430
Operating expense	**161,271**	**44,038**	**205,309**	161,462	104,967	266,429
Operating income	**213,253**	**11,503**	**224,756**	74,145	7,856	82,001
Administrative expenses	**538,239**	**13**	**538,252**	458,587	1,743	460,330
Bad debt	**-**	**531**	**531**	-	-	-
Financing costs	**554,120**	**33,219**	**587,339**	508,328	60,119	568,447
Decrease (increase) in fair value of investment properties	**-**	**-**	**-**	-	(1,000,000)	(1,000,000)
Increase in fair value of investment in associates	**(6,000,000)**	**-**	**(6,000,000)**	-	-	-
Depreciation of property and equipment	**6,717**	**-**	**6,717**	-	-	-
Share of net income from joint venture	**22,260**	**-**	**22,260**	(945,994)	-	(945,994)
Loss on settlement of current and non-current liabilities	**-**	**-**	**-**	206,635	-	206,635
(Gain) Loss on settlement of long-term debt	**1,087,573**	**-**	**1,087,573**	-	-	-
Income (Loss) before income taxes	**4,004,344**	**(22,260)**	**3,982,084**	(153,411)	945,994	792,583
Income taxes	**-**	**-**	**-**	-	-	-
Net income (Loss) before income taxes	**4,004,344**	**(22,260)**	**3,982,084**	(153,411)	945,994	792,583
Basic - Weighted average number of Outstanding common shares	**45,073,301**	**-**	**45,073,301**	29,714,699	-	29,714,699
Dilutive - Weighted average number of Outstanding common shares	**57, 906,225**	**-**	**57,906,225**	42,689,680	-	42,689,680
Basic - Net income (loss) per share	**0.09**	**-**	**0.09**	(0.01)	-	(0.03)
Dilutive - Net income (loss) per share	**0.08**	**-**	**0.07**	(0.00)	-	0.02

For the Three months ended March 31, 2022

On an IFRS basis, net income and comprehensive income for the three months ended March 31, 2022, increased by $4,157,755 over the comparable period in 2021. The in-crease is primarily due to the $6,000,000 increase in fair value of investment in associates, partially offset by the $1,087,573 loss on settlement of a long-term debt involving the disposal of 25% of interest in the joint-venture, and by the slight increase in administration expenses of 17% or 79,652$ and in financing costs of 9% or $45,792.

NET OPERATING INCOME[1]

In 2021, as part of its plan of action, Emergia disposed of income producing properties having a value of $5,215,000 to repay the associated $5,215,000 of related mortgages and short-term debts. As a result, the net operating income has decreased significantly in 2022 (174%) compared to 2021.

The following table reconciles operating income to net operating income, a non-IFRS measure, as at March 31, 2022 and 2021(please refer to the “Non-IFRS Financial Measures” section of this MD&A on page 35).

	3 months	3 months	
Net Operating Income ("NOI")	**March 31, 2022**	March 31, 2021	% Change
Rental income	106,252	235,607	
Less: Property operating expenses	161,271	161,462	
NOI	**(55,019)**	74,145	**-174%**
Basic - Weighted average number of Outstanding common shares	**45,073,301**	24,768,000	
Dilutive - Weighted average number of Outstanding common shares	**57,906,225**	24,768,000	
Basic NOI per share	**$(0.00)**	$0.00	
Dilutive NOI per share	**$(0.00)**	$0.00	

For the Three months ended March 31, 2022

The NOI decreased by $129,164 or 174%, compared to the first quarter of 2021 primarily due to the disposal of income producing properties in early 2021 for the total value of $5,215,000 to repay existing mortgages and short-term debts.

The Corporation operates in three different segments of the real estate industry: (i) ownership of revenue-producing multi-residential, commercial, industrial and office properties ("**Rental Income**"), (ii) development and sale of investment properties ("**Development Income**"), (iii) management of investment properties from associate and joint ventures ("**Management Fees**"). Operating performance of the Corporation is evaluated primarily based on the development of the properties and their change in fair value as well as operating income of these three segments. Centrally managed expenses such as interest, amortization, and general administrative costs are not included or allocated to operating segment results. As at March 31, 2022 and 2021, the Corporation does not have Development Income.

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

The following summarizes the Corporation's assets as at March 31, 2022 and December 31, 2021:

	Income Producing Properties		Properties Under Development		Associates and Joint-Ventures		Corporation [a)]		Consolidation	
	March 31, 2022	December 31, 2021	**March 31, 2022**	December 31, 2021	**March 31, 2022**	December 31, 2021	**March 31, 2022**	December 31, 2021	**March 31, 2022**	December 31, 2021
Total Assets	**4,600,000**	4,600,000	**116,042,934**	114,725,000	**15,349,046**	4,956,460	**4,895,914**	7,018,644	**140,887,894**	131,300,104

[a] *Represents the assets and revenues not included in the income producing properties, properties under development and associates and joint ventures, but includes assets such as properties held for sale, the investment in companies, the receivables and other cash or cash equivalent assets.*

The following summarizes the Corporation's operating results for the three-month ended March 31, 2022 and 2021:

	Income Producing Properties		Properties Under Development		Associates and Joint-Ventures		Corporation		Consolidation	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Rental income	**106,252**	235,607	**-**	-	**-**	-	**-**	-	**106,252**	235,607
Management Fees, dividends, interests	**-**	-	**-**	-	**-**	-	**268,272**	-	**268,272**	-
Operating income	**(55,019)**	74,145	**-**	-	**-**	-	**268,272**	-	**213,253**	74,145

NET INCOME ATTRIBUTABLE TO SHAREHOLDERS

	3 months	3 months	
Net Income (Loss) per share ("EPS")	**March 31, 2022**	March 31, 2021	$ / % Change
Net Income (Loss) per share	**4,004,344**	(153,411)	**2,710%**
Basic - Weighted average number of Outstanding common shares	**45,073,301**	24,768,000	
Dilutive - Weighted average number of Outstanding common shares	**57,906,225**	24,768,000	
Basic - Net income (loss) per share	**$0.09**	$(0.01)	$1.10
Dilutive - Net income (loss) per share	**$0.08**	$(0.01)	$0.09

For the Three months ended March 31, 2022

Net income attributable to common shareholders was $4,004,344 or $0.09 per share compared to $(153,411) or $(0.01) per share for the same prior year period. The increase is primarily due to the $6,000,000 increase in fair value of investment in associates, partially offset by the $1,087,573 loss on settlement of a long-term debt involving the disposal of 25% of interest in the joint-venture, and by the slight increase in administration expenses of 17% or 79,652$ and in financing costs of 9% or $45,792.

FUNDS FROM OPERATIONS (FFO)[1]

The reconciliation of FFO for the three months ended March 31, 2022 and 2021 is as follows:

	3 months	3 months	
	March 31, 2022	March 31, 2021	$ / % Change
Net income (loss) and comprehensive income (loss)	4,004,344	(153,411)	
Adjustments:			
(Gain) Loss in fair value adjustment in investment properties	-	-	
(Gain) Loss in fair value adjustment in assets held for sale	-	-	
(Gain) Loss in investment in associates	(6,000,000)	-	
(Gain) Loss on sale of assets held for sale	-	-	
(Gain) Loss on disposal of a subsidiary	-	-	
(Gain) Loss on disposal of an investment	-	-	
Loss on debt settlement	1,087,573	206,635	
Deferred tax expenses	-	-	
Depreciation of property and equipment	**6,717**	-	
FFO	**(901,366)**	53,224	**-1,794%**
Basic - Weighted average number of Outstanding common shares	**45,073,301**	24,768,000	
Dilutive - Weighted average number of Outstanding common shares	**57,906,225**	24,768,000	
Basic FFO per share	**$(0.02)**	$0.00	-$0.02
Dilutive FFO per share	**$(0.02)**	$0.00	-$0.02

On quarterly basis, FFO decreased by $954,590 primarily due to decrease in share of net income from the joint venture, and the overall decrease in rental income due to the disposal of income-producing properties in 2021. In the first quarter 2021, the joint venture had an fair value adjustment increase of the investment properties of 2,000,000$ based on the third-party appraiser value in 2021. The FFO is mainly negative, which is typical for a company in a development stage whose assets are mainly composed of properties under development and a small number of income producing properties.

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

ADJUSTED FUNDS FROM OPERATIONS (AFFO)[1]

The reconciliation of AFFO for the three months ended March 31, 2022 and 2021 is as follows:

	For the three-months ended		
	March 31, 2022	March 31, 2021	% Change
FFO	(901,366)	53,224	-1,794%
Add (deduct):			
Change in Working Capital [a)]	632,370	54,001	
AFFO	(268,996)	107,225	**-351%**

[a] The components of the change in working capital are as follows:

	For the three-months ended	
	March 31, 2022	March 31, 2021
Receivables and other receivables	**378,806**	266,924
Prepaids and deposits	**304,798**	800,402
Trade and other payables	**(51,234)**	(1,013,325)
	632,370	54,001
Additional cash flow information:		
Interest paid	**64,837**	97,213

The decrease in AFFO is due to the decrease in FFO and the increase in change in working capital. The difference in change in working capital resulted from the debt conversion in January 2022 and the transfer of refundable deposits into investment in associates after the closing of the acquisition in March 31, 2022.

ADMINISTRATIVE EXPENSES

Administrative expenses for the three months ended March 31, 2022 and 2021 are as follows:

	For the three-months ended	
	March 31, 2022	March 31, 2021
Consulting and professional fees	**274,750**	230,537
Management fees	**263,489**	228,050
	538,239	458,587

Consulting fees include consultation services related to the development projects. Professional fees include accounting and legal fees, listing fees, and other professional services. Management fees include the compensation of the board of directors, and key management personnel.

[1] A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.

For the Three months ended March 31, 2022
Administrative expenses remained fairly stable in 2022 and 2021, with the increase of 19% or $44,213 in Consulting and Professional fees due to the closing of the acquisition in associates in March 31, 2022, and the increase of 16% or $35,439 in Management fees due to Management's expenses incurred in the closing of the acquisition.

FINANCING COSTS

Financing costs for the three months ended March 31, 2022 and 2021, are as follows:

		For the three-months ended
	March 31, 2022	March 31, 2021
Interest	**504,120**	508,328
Financing and other fees	**50,000**	-
	554,120	508,328

For the Three months ended March 31, 2022
Interest expenses decreased due to the overall decrease in the debt. Overall, financing costs increased by $45,792 over the comparative quarter mainly due to the upcoming private placement offering and other prospective financing efforts.

Capital Structure **and Liquidity**

The Corporation's capital resources and liquidity are used to fund capital investments including development activity, leasing costs, interest expense and future distributions to Shareholders. The primary source of liquidity is net operating income generated from rental properties, which is dependent on rental and occupancy rates, the structure of lease agreements, leasing costs, and the rate and amount of capital investment and development activity, among other variables.

The Corporation has financed its operations through the use of equity, mortgage debt secured by rental properties, unsecured debentures and unsecured term loans. The Corporation's objective is to maximize financial flexibility while continuing to strengthen the balance sheet. Management intends to achieve this by continuing to access the equity market, unsecured debenture market and unsecured loan market.

CASH FLOWS

	Three months ended March 31	
	2022	2021
Cash provided from (used in) operating activities	**(354,939)**	(838,770)
Cash provided from (used in) financing activities	**725,977**	835,674
Cash provided from (used in) investing activities	**(533,162)**	-
Net change in cash and cash equivalents	**(162,124)**	(3,096)

Operating Activities

Cash flow from operating activities represents the Corporation's primary source of liquidity for servicing debt and funding planned revenue sustaining expenditures, corporate expenses and future dividends to shareholders.

For the Three months ended March 31, 2022

Cash flows used in operating activities during the three months period ended March 31, 2022 were $354,939 compared to $838,770 for the same period in 2021 due to the disposal of income producing properties in 2021, and the less use of cash in operating the remaining one income producing property.

Investing Activities

For the Three months ended March 31, 2022

Cash flows used in investing activities during the three months period ended March 31, 2022 were $533,162 compared to $0 used for the same period in 2021. Cash was used to pay the cash-base consideration given in the acquisition of investment in associates and to acquire and implement an ERP system, offset by dividends distributed from the associates.

Financing Activities

For the Three months ended March 31, 2022
Cash inflows provided by financing activities during the three months period ended March 31, 2022 were $725,977 compared to $835,674 in the same period in 2021. This decrease is mainly due to the reduction of debt.

LIQUIDITY

Liquidity risk exists due to the possibility of the Corporation not being able to generate sufficient cash flow, and/or not having access to sufficient debt and equity capital to fund its ongoing operations and growth and to refinance or meet existing payment obligations. The Corporation manages its liquidity risk by staggering debt maturities, renegotiating expiring credit arrangements proactively and issuing equity when deemed appropriate. The Corporation's funding is provided in the form of short and long-term debts as well as the issuance of shares and other equity instruments, and convertible debentures. The Corporation is mitigating the liquidity risk by negotiating new equity and debt financing, and may also sell certain investment properties. Already, in 2022, an important amount of the short-term debt has been reimbursed through debt conversion in units, comprising one Class "A" common share and one warrant exercisable until October 31, 2023 to buy one Class "A" common share per warrant at a price of $1.25 per share, issuance of convertible debentures.

Sources of liquidity primarily consist of cash flow from operations, cash and cash equivalents, and proceeds of equity and debt issuances. The following table summarizes the Corporation's liquidity position as at March 31, 2022 and 2021:

	March 31, 2022	March 31, 2021
Operating activities	**$**	$
Cash flows provided from (used in) operating activities	**(354,939)**	(838,770)
Investing activities		
Cash flows provided from (used in) investing activities	**(533,162)**	-
Financing activities		
Cash flows provided from (used in) financing activities	**725,977**	835,674
Net change in cash	**(162,124)**	(3,096)
Cash (bank overdraft), beginning of year	**437,936**	81,861
Cash, end of year	**275,812**	78,765

The Corporation has historically used mortgages, loans, unsecured convertible debentures, and equity issuances to finance its growth and repay debt. The actual level and type of future borrowings will be determined based on prevailing interest rates, various costs of debt and equity capital, capital market conditions and Management's view of the appropriate leverage for the business. There is no guarantee that the Corporation will succeed in obtaining additional debt or equity financing or be able to alter the future cash flow forecast. However, with the Corporation's success in 2020 and in 2021 and again in early 2022, to obtain equity financing and to strategically dispose of assets, to significantly reduce its short-term debt, and to renegotiate the terms and conditions of its senior debts, Emergia has proven its ability to meet its obligations as they become due. Therefore, Management believes that it has sufficient resources to meet its operational and investing requirements in the near and longer term based on the availability of capital.

OUTSTANDING DEBT AND PRINCIPAL MATURITY PROFILE

Debt Management

As mentioned above, Emergia has proven its ability to meet its obligations as they become due in the past years, through equity financing, debt conversion in shares, issuance of convertible debentures and renegotiating the terms of existing debt. Management seeks to refinance the Corporation's current debts in better terms and conditions with respect to the term and interest rate. Emergia also seeks flexibility in maintaining the overall debt level of the portfolio, taking into account the changing market conditions, interest rates and refinancing risk, and the availability of financing, Generally, Emergia tends to finance itself primarily with long-term, fixed-rate debt and seeks to maintain a conservative debt to gross book value ratio.

As at March 31, 2022, Emergia's Global Debt Ratio[1] stood at 41.2% (65.2% as at March 31, 2021) consisting of the total debts divided by the total assets. Bank mortgages represented approximately 4.9% of total debt, convertible debentures represented approximately 28%, while long-term debt represented approximately 53% of said global debt ratio[1]. As at March 31, 2022, the weighted average annual contractual rate was 9.59% (10.90% as at March 31, 2021), and the weighted average annual contractual term was 2.5 years (0.5 years as at March 31, 2021).

As at March 31, 2022, 100% of the Corporation's total debt was at fixed rate.

Debt Summary

The following table summarises the debt situation of the Corporation as at March 31, 2022 and 2021.

	As at March 31, 2022 Amount	Weighted average contractual rate	Weighted average contractual term (years)	As at March 31, 2021 Amount	Weighted average contractual rate	Weighted average contractual term (years)
Mortgages payable	2,983,011	3.85%	0.5	4,682,036	3.86%	1.5
Convertible debentures	16,988,592	9.12%	1.5	5,165,789	12%	1.0
Long-term debt	32,122,941	10.89%	1.5	34,677,422	13.96	0.2
Other (current liabilities)	8,484,351	n/a	n/a	7,612,552	n/a	n/a
Total debt	60,578,895			52,137,799		
Less: Cash and cash equivalents	275,812			78,765		
Net debt	60,303,083			52,059,034		

The maturity profile including scheduled amortization of the Corporation's bank mortgages, long-term debts as well as its convertible debentures as at March 31, 2022 is summarized in the table below:

As at March 31, 2022	Bank Mortgages	Long-Term Debt	Convertible Debentures	Total	% Due
2022	2,983,011	1,938,377	2,356,533	7,277,921	100
2023	-	34,067,232	18,007,500	52,074,732	100
Thereafter	-	-	-	-	-
Total	**2,983,011**	**36,005,609**	**20,364,033**	**59,352,653**	**100**

The Corporation's strategy is to manage its long-term debt by staggering maturity dates to mitigate risk associated with short-term volatility in the debt markets. The Corporation also intends to maintain financial flexibility to support a reasonable cost of debt and equity capital over the long term.

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

Convertible Debentures

As at March 31, 2022, the balance of convertible debentures payable was $16,988,592, an increase of $400,265 from $16,588,327 as at December 31, 2021. This increase is explained mainly by the financing of capitalised interests, offset by the reimbursement of a convertible debenture with the face value of $100,000 in January 2022. As at March 31, 2022, the weighted average contractual rate was 9.12% and the effective weighted average Interest rate was 14.87%.

The principal amount outstanding and the carrying value for the convertible debentures issued by the Corporation are as follows:

							March 31, 2022	December 31, 2021
	NOTES	Issuance Date	Maturity Date	Coupon Rate	Effective Rate	Outstanding Principal	Carrying Value	Carrying Value
							$	$
Convertible Debenture	a)	2021-03-10	2023-05-02	6.00%	15.00%	**9,000,000**	**8,636,743**	**8,320,796**
Convertible Debenture	b)	2020-02-01	2023-06-30	12.00%	15.00%	**3,877,200**	**3,745,372**	**3,721,828**
Convertible Debenture	c)	2021-10-29 2021-11-29	2023-10-29 2023-11-29	8.00%	15.00%	**3,000,000**	**2,382,005**	**2,298,399**
Convertible Debenture	d)	2021-04-15 2021-05-14 2021-07-02	2022-04-15 2022-05-14 2022-07-02	20.00% 20.00% 24.00%	15.00%	**500,000** **500,000** **500,000**	**1,782,904**	**1,717,683-**
Convertible Debenture	e)	2019-07-31	2022-02-28	10.00%	10.00%	**778,033**	**441,568**	**430,941**
Convertible Debenture	f)	2020-06-15	2022-06-14	12.00%	15.00%	**-**	**-**	**98,680**
							16,988,592	**16,588,327**
Current portion							**2,224,472**	**2,247,304**
							14,764,120	**14,341,023**

a) On March 10, 2021, the Corporation issued convertible debentures in the amount of $9,000,000, The convertible debentures, secured by investment properties, have the interests and the principal payable at the maturity, and embedded with a conversion option into Class "A" Common shares at a price of $1.00 per share. They were issued to acquire the land in Alliston. Please refer to the "Acquisitions and Dispositions" Section of this MD&A on page 64.

b) On February 1, 2020, the Corporation issued secured convertible debentures in the amount of $4,420,000. The convertible debentures, secured by investment properties, have the interests and the principal payable at the maturity, and are embedded with a conversion option into Class "A" Common shares at a price of $1.00 per share. Any early redemption is without any penalty, provided a 30-day notice to the investor to allow same to exercise its conversion right, should it 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.

The convertible debenture was partially reimbursed for an amount of $1,250,000 in May 2021, with $707,200 first allocated to the accrued interests payable and $542,800 to the principal. The early redemption generated adjustment to the fair value of the financial liability. 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 redemption. According to IFRS 9 – Financial Instruments, 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 consolidated statements of comprehensive income (loss) or as an element of other comprehensive income through contributed surplus. The Corporation recorded that difference in other comprehensive income, presented in the fair-value adjustment on the conversion options in the reconciliation of the convertible debentures. In December 2021, the Corporation has been granted an extension of the term, which was initially on January 31, 2022, to June 30, 2023 with no other changes. Adjustment to the fair value of the financial liability was recorded.

c) On October 29, 2021 and November 29, 2021, the Corporation issued for a total amount of $3,000,000 of unsecured convertible debentures. The unsecured convertible debentures are issued as part of the Corporation's private placement. The interests are payable semi-annually at an annual rate of 8% either in cash or in shares. They are embedded with a conversion option into "Unit" consisting of one Class "A" common share, one warrant exercisable at $1.25 until October 31, 2023, and one additional warrant exercisable at a price of $1.50 per share until October 31, 2024. The Corporation may force the conversion if the volume weighted trading price of the Class "A" common shares for the last 20 days on the CSE is equal or higher than $1.50. The cash in the amount of $240,000 and warrant broker commissions in the amount of 282,352 warrants (valued at $147,594 using Black-Scholes Model), are treated as financing costs and amortised throughout the term of the convertible debentures.

d) On April 15, 2021, May 14, 2021 and July 2, 2021, the Corporation issued $500,000 of convertible debentures on each such date for a total of $1,500,000. The convertible debentures, guaranteed by a director, have the interests and the principal payable at the maturity, and are embedded with a conversion option into Class "A" common shares at a price of $1.00 per share. This specific financing was contracted in view of the acquisition of an income producing portfolio in Ontario (please refer to the "Subsequent Events" section of this MD&A on page 66).

e) On July 31, 2019, the Corporation issued convertible debentures in an amount of $743,382. The convertible debentures, initially secured by all present and future residential properties of the Corporation, are payable along with the promissory notes listed into Long-Term Debt (Current Portion) 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, with accrued interests and principal payable on February 28, 2022. Partial redemption in the amount of $700,000 was done on December 2, 2021. The convertible debenture is still outstanding and payable on demand with all accrued interests as of the approval date of the financial statements.

f) On June 15, 2020, the Corporation issued convertible debentures in the amount of $100,000. The convertible debenture, unsecured and held by an officer, has the interests and the principal payable at the maturity, and are embedded with a conversion option into units comprising one Class "A" common share and one warrant exercisable at a price of $1.25 per Class "A" common share until October 31, 2023. The conversion price is the lesser of $0.75 or the price of the shares issued to investors through a public financing of the Corporation prior to the maturity date. This convertible debenture was reimbursed in January 2022.

A reconciliation of the convertible debentures is as follows:

	Host instruments	Conversion Options	Total
	$	$	$
Balance at December 31, 2020	**5,109,103**	**259,750**	**5,368,853**
Issuance of new convertible debentures, net of transaction costs	11,196,391	1,916,015	13,112,406
Deferred income tax liability – conversion option	-	(533,368)	(533,368)
Amortization of transaction costs	24,436	-	24,436
Accretion on convertible debentures	1,138,017	-	1,138,017
Fair value adjustment on conversion options	-	96,691	96,691
Capitalized interests	53,871	-	53,871
Repurchase	(933,491)	-	(933,491)
Conversion	-	-	-
Balance at December 31, 2021	**16,588,327**	**1,739,088**	**18,327,415**
Issuance of new convertible debentures, net of transaction costs			
Deferred income tax liability – conversion option	-	-	-
Amortization of transaction costs	43,298	-	43,298
Accretion on convertible debentures	445,096	-	445,096
Fair value adjustment on conversion options	-	-	-
Capitalized interests	10,626	-	10,626
Redemption	(98,755)	(1,245)	(100,000)
Balance at March 31, 2022	**16,988,592**	**1,737,843**	**18,726,435**

Bank Mortgages

As at March 31, 2022, the balance of bank mortgages payable was $2,983,011, down of $22,642 from $3,005,653 as at December 31, 2021. This decrease corresponds to the reimbursement schedule of the said mortgage loan.

	Notes	Interest rate	Maturity	March 31, 2022	December 31, 2021
				$	$
Secured fixed rate mortgages	a)	3.85 % (2021 – 3.85%)	November 2022	2,983,011	3,005,653
				2,983,011	3,005,653
Current portion				2,983,011	3,005,653
				-	-

a) The mortgage loan, initially in the amount of $3,300,000, is secured by an investment property (121 Lepine avenue) and a guarantee from a director, bearing a fixed interest rate of 3.85%, capital and interest payable in monthly payments of $17,094, maturing in November 2022.

Long-Term Debt

	Weighted Average Interest rate	Maturity	March 31, 2022	December 31, 2021
			$	$
Secured	9.38 % (2021 – 9.38 %)	June 2023	**6,578,435**	6,434,582
Secured, and guaranteed	17.19 % (2021 – 17.16 %)	June 2023*	**22,851,580**	22,053,539
Unsecured	8.09 % (2021 – 8.54 %)	June 2023*	**2,263,694**	2,268,308
Unsecured, and guaranteed	7.23% (2021 – 7.23 %)	June 2023*	**429,232**	420,706
Total			**32,122,941**	31,177,135
Current portion			**1,938,377**	2,443,811
			30,184,564	28,733,324

* *As at March 31, 2022, the long-term debt payable was $32,122,941 compared to $31,177,135 as at December 31, 2021. This increase is primarily due to the capitalised interests according to the extended loan agreements signed as at December 31, 2021.*

Global Debt Ratio[1]

Global Debt Ratio is a non-IFRS measure used by Emergia to manage debt levels. Global Debt Ratio is calculated by adding all the debts divided by all the assets.

	March 31, 2022	March 31, 2021
	$	$
Total current liabilities	**10,635,082**	34,500,744
Total non-current liabilities	**49,943,813**	17,637,055
Total liabilities	**60,578,895**	52,137,799
Current assets	**4,846,394**	3,466,115
Non-current assets	**142,041,500**	76,488,019
Total assets	**146,887,894**	79,954,134
Global Debt ratio	**41.2%**	65.2%

The Corporation reduced its global debt ratio to 41.2% as at March 31, 2022 from 65.2% as at March 31, 2021.

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

Adjusted Real Estate Debt Ratio[1]

Adjusted Real Estate Debt Ratio is a non-IFRS measure used by Emergia to manage debt levels. Adjusted Real Estate Debt Ratio is Adjusted Real Estate Debt divided by the Adjusted Real Estate Assets.

Adjusted Real Estate Assets[1]	March 31, 2022	March 31, 2021
		$
Adjusted Real Estate Assets[1]	**142,267,793**	73,813,676
Adjusted Real Estate Debt[1]	**52,094,544**	44,525,247
Adjusted Real Estate Debt Ratio[1]	**36.6%**	60.3%

COMMITMENTS AND CONTINGENCIES

Contractual Obligations

The Corporation's contractual maturities of its material financial liabilities and other contractual commitments, as at March 31, 2022 are set out in the tables above (Bank mortgages, Convertible debentures, and Long-term debt).

Contingencies

Emergia is involved in litigation and claims which arise from time to time in the normal course of business. None of these contingencies, individually or in aggregate, would result in a liability that would have a significant adverse effect on the financial position of the Corporation.

SHAREHOLDERS' EQUITY

Shareholders' equity amounted to $86,308,999 as at March 31, 2022, compared to $69,274,170 as at December 31, 2021. The increase was primarily due to the increase in share capital, driven by equity injected through the private placement offerings and the debt conversion, and to the net incomprehensive income of $4,004,344, driven by the increase in fair value of investment in associates.

Share Capital

Shares issued and outstanding as of March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022		December 31, 2021	
	Number	$	Number	$
Class "A" common shares	**42,982,896**	**87,707,069**	28,393,194	74,695,200
Class "B" common shares	**4,510,891**	**6,153,286**	4,510,891	6,153,286
	47,493,787	**93,860,355**	32,904,085	80,848,486

On January 10, 2022, Emergia completed the closing of its previously announced private placement and issued an additional 4,812,902 units (excluding 294,118 units reserved for issuance as of December 31, 2021) and 250,000 Class "A" common shares for total amount of $3,235,069, composed of $327,002 in cash (excluding $200,000 received in advance for 294,118 units reserved for issuance as of December 31, 2021) and $2,908,067 in payment of outstanding debts

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

($2,811,568) and consulting fees ($96,499). Each unit, issued at $0.68 per unit, was 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 Class "A" common share at a price of $1.25 per share until October 31, 2023.

This closing included the conversion of an important portion of the directors' and the Management's accrued compensation for an amount of $990,239 (representing 1,456,234 units) and the conversion of debts by creditors for an amount of $1,935,671 (representing 2,872,816 units) and $546,862 (representing 804,210 units) in cash.

At March 31, 2022 and December 31, 2021, there was no share in escrow.

Warrants

The following is a continuity of the warrants outstanding and exercisable as at March 31, 2022:

		As at March 31, 2022 Weighted Average Exercisable		As at December 31, 2021 Weighted Average Exercisable	
	Expiration date	Number	Price	Number	Price
Beginning balance		**13,689,930**	**1.25**	9,651,158	1.25
Issuance of warrants	October 31, 2023	**4,812,902**	**1.25**	3,744,654 a)	1.25
Issuance of warrants	October 31, 2023	**-**	**-**	294,118 b)	1.25
		18,502,832	**1.25**	13,689,930	1.25

[a] *Including 284,952 number of warrants issued as broker warrant commission.*

[b] *Warrants reserved for issuance, along with 294,118 Class "A" common shares (reserved for issuance), for the $200,000 received in advance of the private placement offering in January 2022*

The Corporation deems the Black-Scholes 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 $0.90 (2021 – $0.90), an exercise price of $1.25 (2021 - $1.25), a risk-free rate of 0.72% (2021 – 0.72%), volatility of 122.33% (2021 – 122.33%), vesting immediately, and an average life of 2.02 years (2021 – 2.02 years) from the extension approval date, resulting in a fair value of the warrant of $0.34 (2021 – $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.

NET ASSET VALUE[1]

The NAV[1] has increased by $0.79 to $1.91 during the three months ended March 31, 2022 compared to the same period in 2021, which increase is mainly due to the large increase in asset base, composed of investments properties and investment in associates, which is far more than offset the increase in liabilities.

The Corporation's NAV is calculated in the following table:

	March 31, 2022	March 31, 2021
	$	$
Assets		
Current assets	**4,846,394**	3,466,115
Non-current assets	**142,041,500**	76,488,019
Total Assets	**146,887,894**	79,954,134
Liabiliites		
Current liabilities	**10,635,082**	34,500,744
Non-current liabilities	**49,943,813**	17,637,055
Total Liabilities	**60,578,895**	52,137,799
Net Asset Value[1]	**86,308,999**	27,816,335
NAV per Share[1] – basic[a]	**1.91**	1.12
NAV per Share[1] – dilutive[a]	**1.49**	1.12

[a] *The number of shares on a weighted average basis at March 31, 2022 was 45,073,301 (24,768,000 at March 31, 2021) and 57,906,225 on a dilutive basis (24,768,000 at March 31, 2021).*

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

REAL ESTATE NET ASSET VALUE[1]

The Real Estate NAV[1] increased by $60,884,820 (or 207.9%) to $90,173,249 during the three months ended March 31, 2022 compared to the same period in 2021, which increase large increase in asset base, composed of investments properties and investment in associates, which is far more than offset the increase in liabilities.

The Corporation's Real Estate NAV is calculated in the following table:

	March 31, 2022	March 31, 2021
	$	$
Investment properties	**120,642,934**	51,159,207
Land held for development	**-**	18,965,183
Investment in a joint venture	**-**	3,610,521
Investment in an associate	**21,349,047**	-
Cash and cash equivalents	**275,812**	78,765
Adjusted Real Estate Assets[a)]	**142,267,793**	73,813,676
Total mortgage principal outstanding	**2,983,011**	4,682,036
Convertible debentures	**16,988,592**	5,165,789
Total long-term debt	**32,122,941**	34,677,422
Adjusted Real Estate Debt[a)]	**52,094,544**	44,525,247
Real Estate NAV[1]	**90,173,249**	29,288,429
Real Estate NAV per Share[1] basic[a)]	**2.00**	1.18
Real Estate NAV per Share[1] dilutive[a)]	**1.56**	1.18

[a] *The number of shares on a weighted average basis at March 31, 2022 was 45,073,301 (24,768,000 at March 31, 2021) and 57,906,225 on a dilutive basis (24,768,000 at March 31, 2021).*

[1] *A non-IFRS measure. Please refer to the "Non-IFRS Financial Measures" section of this MD&A on page 35.*

Related Party **Transactions**

During the three months ended March 31, 2022, the Corporation entered into transactions with related parties, which include the Corporation's key personnel and entities that are controlled by officers or directors of the Corporation. Key management includes directors and senior executives. All transactions with related parties occurred in the normal course of operations and are measured at their fair value as determined by management and the Board of Directors.

During the three months ended March 31, 2022, the Corporation incurred $263,489 in management fees as compared to $200,550 during the same period in 2021. Overall, there is an increase in management fees by an amount of $62,939, resulting from an increase in management compensation in 2022, and due to some reclass from consulting and professional fees.

Furthermore, during the three months ended March 31, 2022, the Corporation incurred $69,117 in consulting fee with a company controlled by a director and officer and a company controlled by a director of the Corporation compared to $96,505 as of March 31, 2021. While the consulting and professional fees remain fairly stable, the decrease was due to some reclassification of the compensation of key management personnel into Management fees in 2021.

As of December 31, 2021, $1,415,242 were accruals related to the a fee of 2% for the personal guarantees given by a director on the Corporation's secured liabilities. This amount owed was waived in January 2022 by the director.

Overall amounts owed to companies controlled by directors and officers reached $372,060 as at March 31, 2022 as compared to $3,425,752 as at March 31, 2021 to consider consulting fees and financing fees related to the year ended December 31, 2021. The large decrease resulted from the above waiver of the 2% financing fees ($1,415,242) and the debt conversion in January 2022.

During the three months ended March 31, 2022, key management personnel has converted part of their remuneration and subscribed to 1,456,234 units at a price of $0.68 per unit, for an amount of $990,239; each unit comprising one Class "A" common share and one warrant entitling the holder to purchase one Class "A" common share at a price of $1.25 per share until October 31, 2023.

Financial **Instruments**

As at March 31, 2022 and 2021, the Corporation's financial instruments consisted of cash, receivables, refundable deposits, trade and other payables, convertible debentures, bank mortgages and long-term debt.

Recognition and measurement of financial instruments

Financial assets must be classified and measured on the basis of both the business model in which the assets are managed and the contractual cash flow characteristics of the asset.

Initially, all financial assets and financial liabilities are recorded in the consolidated statements of financial position at fair value, adjusted for transaction costs (where applicable), and are recognized when the Corporation becomes a party to the contractual provisions of the instrument in question.

Financial assets subsequent to initial recognition are classified and measured based on three categories:

» Amortized cost;

» Fair value through profit or loss ("**FVTPL**");

» Fair value through other comprehensive income ("**FVOCI**").

Financial liabilities are classified and measured at amortized cost.

After initial recognition, the effective interest related to financial assets and liabilities measured at amortized cost and the gain or loss arising from the change in the fair value of financial assets or liabilities classified as FVTPL are included in net income (loss) for the year in which they arise. At each consolidated balance sheet date, financial assets measured at amortized cost or at FVOCI, except for investment in equity instruments, require an impairment analysis using the expected credit loss model to determine the expected credit losses using judgment determined on a probability weighting basis. All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within operating expenses.

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Corporation has substantially transferred all of the risks and rewards of ownership. A financial liability is derecognized in the event of extinction, termination, cancellation or expiration.

Financial assets and liabilities are offset and the net balance is presented in the consolidated statements of financial position when there is a legally enforceable right to offset the amounts recognized and an intention either to settle on a net basis or to realize the asset and settle liabilities simultaneously.

The following summarizes the classification and measurement of financial assets and liabilities:

Assets/Liabilities	Classification
Financial Assets	
Cash	Amortized cost
Receivables and Other receivables	Amortized cost
Refundable deposits	Amortized cost
Investment in a private company	FVTPL
Financial Liabilities	
Trade and other payables	Amortized cost
Convertible debentures	Amortized cost
Bank mortgages	Amortized cost
Long-term debt	Amortized cost

Subsequent measurement of financial assets

After their initial recognition at fair value, the financial assets are not reclassified, unless the Corporation detects a change in the economic model that it follows for the management of financial assets and that it reassesses the classification of its financial assets.

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whos objective is to hold the financial assets and collect its contractual cash flows;
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- After inital recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at fair value through profit and loss. Further, irrespective of the business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains an equity investment. The Corporation accounts for the investment in a private company at FVTPL. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined using a valuation technique where no active market exists. All interest-related charges are recognized in profit or loss. As of December 31, 2021, the investment in a private company was disposed.

Impairment of Financial Assets

For recognition of credit losses, the Corporation considers a range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

Stage 1: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk;

Stage 2: financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low;

Stage 3: covers financials assets that have objective evidence of impairment at the reporting date.

"12-month expected credit losses" are recognized for the first category while "lifetime expected credit losses" are recognized for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Subsequent measurement of Financial Liabilities

After their initial recognition at fair value, financial liabilities are measured at amortized cost, using the effective rate method.

Transaction Costs

Transaction costs are incremental costs directly related to the acquisition of a financial asset or the issuance of a financial liability.

Direct and indirect financing costs that are attributable to the issue of financial liabilities measured at amortized cost are presented as a reduction from the carrying amount of the related debt and are amortized using the effective interest rate method over the term of the related debt. These costs include interest, amortization of discounts or premiums relating to borrowings, fees and commissions paid to lenders, agents, brokers and advisers, that are incurred in connection with the arrangement of borrowings.

Accounting Estimates **and Assumptions**

Critical Accounting Estimates, Assumptions and Judgments

The preparation of the Q1-2022 Financial Statements requires Management to make judgments and estimates in applying the Corporation's accounting policies that affect the reported amounts and disclosures made in the Q1-2022 Financial Statements.

Critical accounting estimates and assumptions are discussed in the Q1-2022 Financial Statements.

Significant Accounting Policies

Accounting policies and any respective changes are discussed in the Q1-2022 Financial Statements.

Disclosure Controls and **Internal Controls**

Management, including the President and Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**"), is responsible for designing, establishing, and maintaining a system of internal controls over financial reporting ("**ICFR**") to provide reasonable assurance that all information prepared by the Corporation for external purposes is reliable and timely. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.The Corporation's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately reflect the transactions of the Corporation; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Corporation are being made only in accordance with authorizations of management and directors of the Corporation; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Corporation's assets that could have a material effect on the Corporation's consolidated Financial Statements. Due to its inherent limitations, internal control over financial reporting and disclosure may not prevent or detect all misstatements.

As a venture issuer, the Corporation is not required to certify the design and evaluation of the Corporation's disclosure controls and procedures ("**DC&P**") and ICFR, and as such as not completed such an evaluation. Shareholders should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in National Instrument 52-109 – Certification in Issuer's Annual and Interim Filings may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

In addition, ICFR cannot provide absolute assurance of achieving financial reporting objectives because of their inherent limitations. ICFR is a process that involved human diligence and compliance and is subject to lapses in judgment and breakdowns resulting in human failures. ICFR can also be circumvented by collusion or improper management override. Because of such limitations, there is risk that material misstatements may not be prevented or detected on a timely basis by ICFR. However, these inherement limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Risks and **Uncertainties**

Emergia's focus is on small to medium size portfolios of mixed-use properties in Canada, mainly in the provinces of Quebec and Ontario, which diversified portfolio is more resilient to changing markets and macro-economic conditions. However, there are certain risks inherent in an investment in the shares of the Corporation and the activities of Emergia. A detailed full set of risks applicable to the business of Emergia are included in the Management's Discussion and Analysis for the year ended December 31, 2021 and 2020 in Emergia's 2021 Annual Report, which are hereby incorporated by reference. The 2021 Annual Report is available online on www.sedar.com. If any of the following risks, or any other risks and uncertainties that the Corporation has not yet identified or that it currently considers not to be material, actually occur or become material, the Corporation's business, guidance, prospects, financial condition, results of operations and cash flows and consequently the price of the shares could be materially and adversely affected.

GOING FORWARD

EMERGIA

Unaudited Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2022 and March 31, 2021

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Management's **Report**

The accompanying unaudited interim condensed 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 These unaudited interim condensed consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee (the "**Committee**"). The Committee reviews these unaudited interim condensed consolidated financial statements with management and the independent auditors. The Committee reports its findings to the Board, which approves these unaudited interim condensed consolidated financial statements before they are submitted to the shareholders of Emergia.

HENRI PETIT
Chairman, President and CEO

RATHA SIV, CPA auditor, CMA
Chief financial officer

Unaudited Interim Condensed Consolidated **Statements of Financial Position**

As at March 31, 2022 and December 31, 2021
(in Canadian dollars)

	Notes	As at March 31, 2022	As at December 31, 2021
Assets		**$**	$
Current assets			
Cash		**275,812**	437,936
Receivables and other receivables	**9**	**2,610,277**	2,989,083
Prepaids and deposits	**8**	**160,305**	1,789,125
Properties held for sale	**5**	**1,800,000**	1,800,000
Total current assets		**4,846,394**	7,016,144
Non-current assets			
Investment properties	**4**	**120,642,934**	119,325,000
Investment in a joint venture	**6**	**-**	3,306,460
Investment in associates	**6**	**21,349,047**	1,650,000
Property and equipment		**49,519**	2,500
Total non-current assets		**142,041,500**	124,283,960
Total assets		**146,887,894**	131,300,104
Liabilities			
Current liabilities			
Trade and other payables	**10**	**3,181,490**	5,951,958
Income tax payable		**307,732**	307,732
Current portion of convertible debentures	**11**	**2,224,472**	2,247,304
Current portion of bank mortgages	**12**	**2,983,011**	3,005,653
Current portion of long-term debt	**13**	**1,938,377**	2,443,811
Total current liabilities		**10,635,082**	13,956,458
Non-current liabilities			
Convertible debentures	**11**	**14,764,120**	14,341,023
Bank mortgages	**12**	**-**	-
Long-term debt	**13**	**30,184,564**	28,733,324
Deferred income tax liabilities		**4,995,129**	4,995,129
Total non-current liabilities		**49,943,813**	48,069,476
Total liabilities		**60,578,895**	62,025,934
Shareholders' equity			
Share capital	**15**	**93,860,355**	80,488,486
Warrants	**16**	**6,347,279**	6,327,418
Contributed surplus	**11**	**1,742,912**	1,744,157
Deficit		**(15,641,547)**	(19,645,891)
Total shareholders' equity		**86,308,999**	69,274,170
Total liabilities and shareholders' equity		**146,887,894**	131,300,104

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*

Unaudited Interim Condensed Consolidated
Statements of Comprehensive Income (Loss)

For the three-month periods ended March 31, 2022 and 2021
(in Canadian dollars except for share amounts)

	Notes	March 31, 2022	March 31, 2021
		$	$
Revenue	**7**	**374,524**	235,607
Operating expense		**161,271**	161,462
Operating income		**213,253**	74,145
Administrative expenses	**20**	**538,239**	458,587
Financing costs	**20**	**554,120**	508,328
Depreciation of property and equipment		**6,717**	-
Increase in fair value of investment in associates	**6**	**(6,000,000)**	-
Share of net income from joint venture	**6**	**22,260**	(945,994)
Loss on settlement of current and non-current liabilities		**-**	206,635
Loss on settlement of long-term debt	**6**	**1,087,573**	-
Income (Loss) before income taxes		**4,004,344**	(153,411)
Income taxes		**-**	-
Net income (loss) and comprehensive income (loss) for the year		**4,004,344**	(153,411)
Basic and diluted net income (loss) per outstanding common share	**17**		
- Basic		**0.09**	(0.01)
- Diluted		**0.08**	(0.01)
Weighted average number of outstanding common shares	**17**		
- Basic		**45,073,301**	24,768,000
- Diluted		**57,906,225**	24,768,000

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

Unaudited Interim Condensed Consolidated
Statements of Shareholders' Equity

For the three-month periods ended March 31, 2022 and 2021
(in Canadian dollars except for share amounts)

	Share capital					
	Number of shares	**Amount**	**Warrants**	**Contributed Surplus**	**Retained Earnings (Deficit)**	**Total Equity**
	#	**$**	**$**	**$**	**$**	**$**
Balance on December 31, 2021	**32,904,085**	**80,848,486**	**6,327,418**	**1,744,157**	**(19,645,891)**	**69,274,170**
Settlement of current and non-current liabilities	**4,134,659**	**2,811,568**	**-**	**-**	**-**	**2,811,568**
Issued under a private placement	**536,332**	**327,002**	**19,861**	**-**	**-**	**346,863**
Issued for consultation services	**141,911**	**96,499**	**-**	**-**	**-**	**96,499**
Issuance at reimbursement of a convertible debenture	**-**	**-**	**-**	**(1,245)**	**-**	**(1,245)**
Issued for an acquisition	**9,776,800**	**9,776,800**	**-**	**-**	**-**	**9,776,800**
Net income and comprehensive income	**-**	**-**	**-**	**-**	**4,004,344**	**4,004,344**
Balance at March 31, 2022	**47,493,787**	**93,860,355**	**6,347,279**	**1,742,912**	**(15,641,547)**	**86,308,999**
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	588,207	514,690	77,729	-	-	592,419
Issued under a private placement	163,685	138,050	-	-	-	138,050
Net loss and comprehensive loss	-	-	-	-	(153,412)	(153,412)
Balance at March 31, 2021	25,037,157	73,806,413	6,191,556	264,819	(52,446,453)	27,816,335

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

Unaudited Interim Condensed Consolidated
Statements of Cash Flows

For the three-month periods ended March 31, 2022 and 2021
(in Canadian dollars)

	Notes	March 31, 2022	March 31, 2021
Operating activities		**$**	$
Net Income (Loss)		**4,004,344**	(153,412)
Adjustments for			
Consulting services paid in shares	**15**	**96,499**	-
Amortization of transaction costs on convertible debentures	**14**	**43,298**	-
Increase in fair value of investment in associates	**6**	**(6,000,000)**	
Distributions from associates		**(248,000)**	
Depreciation of property and equipment		**6,717**	-
Share of net income (loss) from joint venture	**6**	**22,260**	(945,994)
Loss on settlement of current and non-current liabilities		**-**	206,635
Loss (Gain) on settlement of long-term debt	**6**	**1,087,573**	-
		(987,309)	(892,771)
Changes in working capital items	**19**	**632,370**	54,001
Cash flows from operating activities		**(354,939)**	(838,770)
Investing activities			
Additions to property plant and equipment		**(53,738)**	-
Additions to investment in associates, net of related debt	**3b**	**(650,000)**	-
Distributions from associates		**248,000**	
Additions to investment properties	**4**	**(77,424)**	-
Cash flows from investing activities		**(533,162)**	-
Financing activities			
Issuance of units and warrants	**15**	**327,002**	124,401
Repayment of convertible debentures	**14**	**(98,755)**	-
Repayment of bank mortgages	**14**	**(22,642)**	(35,660)
Long-term debt	**14**	**550,000**	825,000
Repayment of long-term debt	**14**	**(29,628)**	78,067
Cash flows from financing activities		**725,977**	835,674
Net change in cash		**(162,124)**	(3,096)
Cash (bank overdraft), beginning of year		**437,936**	81,861
Cash, end of year		**275,812**	78,765

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

Notes to the Unaudited Interim Condensed **Consolidated Financial Statements**

NOTE 1. INFORMATION ON THE CORPORATION AND GOING CONCERN

Emergia Inc. together with its subsidiaries (collectively 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 as well as land for future development and excess land. As at December 31, 2021, the Corporation holds income producing properties, properties under development and properties held for sale.

The Corporation 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. The Corporation is publicly listed on the Canadian Securities Exchange ("**CSE**") and its ticker symbol is "EMER". The principal address and records office of the Corporation are located at 402 – 185 Avenue Dorval, Dorval, Quebec, Canada H9S 5J9.

In the preparation of these unaudited interim condensed consolidated financial statements, management is required to identify when events or conditions indicate that there is material uncertainty related to such events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. Significant doubt about the Corporation's ability to continue as a going concern would exist when relevant conditions and events, considered in the aggregate, indicate that the Corporation will not be able to meet its obligations as they become due for the period of at least, but not limited to, twelve months from the end of the reporting period. When the Corporation identifies conditions or events that raise potential for significant doubt about its ability to continue as a going concern, the Corporation considers whether its plans that are intended to mitigate those relevant conditions or events will alleviate the potential significant doubt.

These unaudited interim 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. 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 pay or refinance its debts as they come due and to execute its contemplated business plan and ultimately achieve profitable operations. As at March 31, 2022, the Corporation has improved its unaudited interim condensed consolidated statements of financial position with its achievements in 2021 and the acquisition completed in March 2022, as described further below. The Corporation continues to take actions to strengthen its financial position, with concrete transactions executed as of the date of these consolidated financial statements, including debt and equity financing, debt conversion and acquisition of an interest in a portfolio of income producing properties (refer to Note 3 -Acquisitions and Dispositions). The unaudited interim condensed consolidated statements of comprehensive income (loss) disclosed a net income of 4,004,344 for the three months ended March 31, 2022, compared to a net loss of $153,411 for the three months ended March 31, 2021 mainly due to fair value adjustment on investment in associates at acquisition, partially offset by the loss on settlement of a long-term debt (refer to Note 6 – Investment in a Joint Venture and Associates).

The Corporation's conclusions about its ability to continue as a going concern for the next twelve months involves significant judgment and is dependent on the Corporation's ability to successfully sell the properties held for sale in accordance with its plan or obtain additional debt or equity funding or manage its discretionary spending to maintain sufficient cash flows from operations. Management believes that it has the ability to realize all of the afore-indicated actions in accordance to its plan. There is no guarantee that the Corporation will succeed in the selling of assets or obtaining additional debt or equity financing or be able to alter the future cash flow forecast. However, with the Corporation's success in 2020 and in 2021 to obtain equity financing, to dispose of assets, to significantly reduce its short-term debt, to renegotiate the terms and conditions of its senior debts, including the maturity date of the debt relating to the Bromont property to

June 2023 and the discussions underway to refinance the said debt before the end of its term, and with the Corporation's success since the beginning of 2022 (refer to Note 3 -Acquisitions and Dispositions), Emergia has proven its ability to meet its obligations as they become due. After considering its plans to mitigate the going concern risk, management has concluded that it has been able to reduce certain material uncertainties related to events or conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern and is continuing to execute on its business plans to ultimately achieve profitable operations.

These 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Compliance

The unaudited interim condensed consolidated financial statements for the three months ended March 31, 2022 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, 2021 which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

These unaudited interim consolidated financial statements were approved and authorized for issuance by the Corporation's Board of Directors on May 30, 2022.

B. 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, 2021.

NOTE 3. ACQUISITIONS AND DISPOSITIONS

Acquisitions and Dispositions of Properties in 2022

a) ***Disposition of 25% interest in the Joint Venture***
   In February 4, 2022, the Corporation disposed of half of its 50% interest in the joint venture to its co-shareholder to reimburse the loan with the carrying value of $560,000. The Corporation maintained its option to buy back all the shares of its partner in the said joint venture until September 2023.

b) ***Acquisition in March 2022 of a 30% interest in a 6-Plaza Portfolio in Ontario, Canada***
   In March 2022, Emergia has purchased an interest of approximately 30% of the total value of a portfolio comprised of six retail plazas in six cities in Ontario. The portfolio includes approximately 568,000 sq. ft. of GLA that is almost fully leased, with an additional development potential of approximately 196,000 sq. ft. of GLA, part of which are under negotiations for 2022.The total purchase price for the acquisition of Emergia's interest is $41,031,152, which has been paid through the assumption of $28,968,732 of existing mortgages, the issuance of 9,776,800 Class "A" common shares at $1.00 per share, and the balance being paid in cash of $650,000 and the initial deposits of $1,635,620. At the acquisition date, the total fair value of the portfolio appraised by a third-party appraiser was $157,500,000, bringing the Corporation's share of fair value to $47,191,371 compared to the purchase price of

$41,031,152, that would result in a plus value of $6,160,219. While the Corporation is finalizing the accounting treatment, the Corporation recorded the initial acquisition at cost using the consideration given. No subsequent equity pick has been subsequently taken at the reporting period.

Acquisitions and Dispositions of Properties in 2021

c) ***Disposition of 9700 St-Laurent Boulevard, Montreal, Quebec, Canada***
In the second quarter of 2021, the Corporation disposed of the property located at 9700 St-Laurent Boulevard for proceeds of $1,550,000. The purchaser assumed the associated mortgage, payables and liabilities.

d) ***Disposition of 475-489 Le Breton Street and 505-531 Le Breton Street, Longueuil, Quebec, Canada***
In the second quarter of 2021, the Corporation disposed of the properties located at 475-489 and 505-531 Le Breton Street for total proceeds of $3,665,000. The purchaser assumed the associated mortgage, payables and liabilities.

e) ***Acquisition of Three Lots in Bromont, Quebec, Canada***
In the second quarter of 2021, the Corporation bought three lots from the City of Bromont at the cost of 1$ as these lots were part of a retrocession agreement of the said lots resulting from a former expropriation by the City and the Ministry of Transport of larger lands to build road infrastructures on the Bromont site owned by the Corporation approximately fifteen years ago. They were recorded initially at cost, and with their undetermined use, management deemed that the criteria for the classification as investment properties in accordance with IAS 40 was satisfied and those lands would subsequently be measured using fair value as of December 31, 2021. Refer to Note 3h below with respect to the disposal of one of these three lots.

f) ***Acquisition of Land in Alliston, Ontario, Canada***
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 taxes). 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" common shares of the Corporation (Note 15 – Share Capital). 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 May 3, 2023 (Note 11 – Convertible Debentures), plus a participation in the profits of the project.

g) ***Disposition of 860 Cite-des-Jeunes Boulevard, St-Lazare, Quebec, Canada***
In the third quarter of 2021, the Corporation disposed of its property located at 860 Cité-des-Jeunes Boulevard, for proceeds of $1,380,000. The proceeds were used to repay the associated mortgage, payables and liabilities.

h) ***Disposition of One Lot in Bromont, Quebec, Canada***
Subsequently to the purchase of three lots mentioned in Note 3e above, management changed the intention of use of one lot during negotiations with a lender. The said lot would be used to reimburse part of the loan at an agreed-upon selling price, which gave rise to a fair value adjustment of $1,200,000, using the criteria set out by a third-party appraisal for the same type of transactions. The deal was closed in December 2021 whereby it was agreed to reduce the debt amounting to $1,310,474, to $1,292,449 to be paid as follows: (i) transfer of the land at a price of $1,208,021, and (ii) payment of the balance of $84,428 in ten equal monthly payments starting in January 2022. The settlement resulted in a gain on settlement of long-term debt of $18,025, as separately disclosed in the unaudited interim condensed consolidated statements of comprehensive income (loss).

i) ***Disposition of a Minority Interest Into a Company***
In the fourth quarter of 2021, the Corporation disposed of the investment of its minority interest in a private company, resulting in a $250,000 loss on disposal of an investment.

NOTE 4. INVESTMENT PROPERTIES

As at March 31, 2022 and December 31, 2021, a reconciliation of the investment properties is as follows:

		Income Producing Properties		Properties Under Development		Total	
	NOTES	**March 31, 2022**	December 31, 2021	**March 31, 2022**	December 31, 2021	**March 31, 2022**	December 31, 2021
Balance, beginning of the year		**4,600,000**	9,166,775	**114,725,000**	40,322,276	**119,325,000**	49,489,051
Disposal of 9700 St-Laurent Blvd., Montreal, Canada	3c	**-**	(1,550,000)	**-**	-	**-**	(1,550,000)
Disposal of 475-489 Le Breton and 505-531 Le Breton, Longueuil, Quebec, Canada	3d	**-**	(3,665,000)	**-**	-	**-**	(3,665,000)
Disposal of 860 Cite-des-Jeunes, St-Lazare, Quebec, Canada	3g	**-**	-	**-**	(1,380,000)	**-**	(1,380,000)
Transfer of assets in a joint venture	3j	**-**	-	**-**	-	**-**	-
Settlement of liabilities	3l, 3k	**-**	-	**-**	(1,208,021)	**-**	(1,208,021)
Acquisition of the Land in Alliston, Ontario, Canada	3f	**-**	-	**-**	15,038,019[a)]	**-**	15,038,019
Other acquisitions	3e	**-**	-	**-**	1[a)]	**-**	1
(Decrease) Increase in fair value of investment properties	3j		648,225	-	40,581,539	**-**	41,229,764
Borrowing costs[b)]		**-**	-	1,240,510	4,552,744[b)]	**1,240,510**	4,552,744
Development costs		**-**	-	**77,424**	503,279	**77,424**	503,279
Reclassified from Land held for development		**-**	-		18,115,163	**-**	18,115,163
Reclassified to properties held for sale		**-**	-		(1,800,000)	**-**	(1,800,000)
Balance, end of year		**4,600,000**	4,600,000	**116,042,934**	114,725,000	**120, 642,934**	119,325,000

[a] *In the cash flow from investing activities, the additions to investment properties of $77,424 resulted from development cost expenditures.*

[b] *The weighted average borrowing rate, excluding convertible debentures, is 14.35% (2021 – 14.35%). For the borrowing rate related to convertible debentures, refer to Note 11 – Convertible Debentures.*

Income Producing Properties

The income producing properties are composed of the following:

	March 31, 2022	December 31, 2021
	$	$
121 Lépine Avenue, Gatineau, Quebec, Canada	**4,600,000**	4,600,000
	4,600,000	4,600,000

Properties Under Development

The properties under development are composed of the following:

	NOTES	**March 31, 2022**	December 31, 2021
		$	$
Land in Bromont, Quebec, Canada	3e, 4	**92,312,215**	91,325,000
Land in Alliston, Ontario, Canada	3f	**21,721,415**	21,400,000
Land in Blainville, Quebec, Canada		**2,009,304**	2,000,000
		116,042,934	114,725,000

Valuation Methodology and Process

Investment properties are remeasured to fair value on a recurring basis, using the following methodologies:

a) Discounted cash flow method - Under this income approach, discount rates are applied to the projected annual operating cash flows, generally over a ten-year period, including a terminal value of the properties based on a capitalization rate applied to the estimated net operating income, a non-IFRS measure, in the terminal year. This method is primarily used to value the rental portfolio.

b) Comparable sales method – This market approach compares a subject property's characteristics with those of comparable properties which have recently sold. The process uses one of several techniques to adjust the price of the comparable transactions according to the presence, absence, or degree of characteristics which influence value. These characteristics include the cost of construction incurred at a property under development. This method is primarily used to value the development portfolio, including ancillary parking facilities and investment properties held for sale.

The application of these valuation methods results in these measurements being classified as Level 3 in the fair value hierarchy.

Significant Inputs

At the end of each quarterly reporting period, management also conducts an internal valuation with significant unobservable inputs in the Level 3 valuation:

» Capitalization rate – based on actual location, size and quality of the property and taking into consideration available market data as at the valuation date;

» Stabilized net operating income – revenue less direct operating expenses adjusted for items such as average lease up costs, vacancies, non-recoverable capital expenditures, management fees, straight-line rents and other non-recurring items. For properties under development forecasted net operating income is based on location, type and quality of the property, supported by the terms of actual or anticipated future leasing;

» Discount rate – reflecting current market assessments of the uncertainty in the amount and timing of cash flows;

» Terminal capitalization rate – taking into account assumptions regarding vacancy rates and market rents;

» Estimated costs to complete for properties under development – based on expected completion dates considering development and leasing risk specific to each property and the status of approvals and/or permits; and

» Cash flows – based on the physical location, type and quality of the property and supported by the terms of existing leases, other contracts or external evidence such as current market rents for similar properties.

An increase in the cash flow or stabilized net operating income results in an increase in fair value of investment property whereas an increase in the capitalization rate, discount rate or terminal capitalization rate decreases the fair value of the investment property.

In determining the fair value of our investment properties, judgement is required in assessing the "Highest and best use" as required under IFRS 13 - Fair value measurement. We have determined that the current uses of our investment properties are their "highest and best use".

Management is responsible for determining the fair value measurements on a quarterly basis, including verifying all major inputs included in the valuation and reviewing the results. Management, along with the Audit Committee, discuss the valuation process and significant assumptions on a quarterly basis. The valuations are performed in due course by qualified external valuators who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

The COVID-19 pandemic has increased the risk and uncertainty surrounding valuation estimates due to limited market activity for comparable transactions, as well as uncertainty regarding the expected length of the pandemic and the resulting impact on the Corporation's cash flows from investment properties. In developing its estimates, management performed an assessment of its tenants and portfolio of investment properties, as well as an evaluation of the changes in the overall market conditions for the asset classes in the Corporation's portfolio since the impact of the pandemic began in early March 2020.

The following table summaries the valuation approach, significant assumptions, and the relationship between the assumptions and the fair value:

Assets	Valuation approach	Significant assumptions	Relationship between assumptions and fair value
Income producing properties	Direct capitalization or discounted cash flow	Capitalization rate Discount rate Terminal rate Stabilized Net Operating Income ("**NOI**") Cash Flows	Inverse relationship between capitalization, discount, and terminal rates and fair value (higher rates result in decreased fair value); whereas higher stabilized NOI or cash flows results in increased fair value.
Properties under development	Direct capitalization less cost to complete	Capitalization rate Stabilized NOI Costs to complete	Inverse relationship between capitalization rate and fair value (higher capitalization rate results in lower fair value); whereas higher stabilized NOI results in increased fair value.
Properties under development – Excess land	Comparable sales method	Comparison to market transactions for similar assets	Land value reflects market value.

NOTE 5. PROPERTIES HELD FOR SALE

As of March 31, 2022, Emergia has a property held for sale as described below:

	March 31,2022	December 31, 2021
	$	$
472 Knowlton Rd, Lac Brome, Canada	**1,800,000**	1,800,000
Total aggregate value	**1,800,000**	1,800,000

NOTE 6. INVESTMENT IN A JOINT VENTURE AND ASSOCIATES

As at March 31, 2022, Emergia had interests in the seven following associates:

		Effective Ownership	
	NOTES	**March 31,2022**	December 31, 2021
12028735 Canada Inc., Quebec, Canada	a,b	**25%**	50%
Villarboit Kingsberg Limited Partnership	b	**21.15%**	n/a
Villarboit (Brantford) Holdings 2012 LP	b	**9.05%**	n/a
Villarboit (Niagara Falls) Holdings LP	b	**15.06%**	n/a
Villarboit (Pembroke) Holdings LP	b	**32.20%**	n/a
Brookdale Square Co-ownership (Brookdale Square Inc.)	b	**48.87%**	n/a
Aigialeia, S.A., Greece		**30%**	30%

[a] *In February 2022, Emergia had a change in ownership interest in the joint venture (Note 3a) which became an investment in an associate, with the Corporation continuing to apply the equity method without remeasuring the retained interests.*

[b] *On March 31, 2022, the Corporation completed the acquisition of interests in a 6-Plaza portfolio (Note 3b).*

a) The following table shows the changes in the carrying value of Emergia's investment in joint venture as at March 31, 2022 and December 31, 2021.

	March 31,2022	December 31, 2021
	$	$
Beginning balance	**3,306,460**	2,664,527
Disposal of interest	**(1,647,573)** a)	-
Transferred to investment in associates	**(1,647,573)** a)	-
Contributions	**-**	-
Share of net income	**(11,314)** a)	641,933
Ending balance	**-**	2,664,527

[a] *On February 4, 2022, before the disposal, the carrying amount of the investment was $3,925,146, composed of the beginning balance of $3,306,406 as of December 31, 2021 plus the equity pick-up of -$11,314 for January 2022. The disposal of interests, to settle the loan of $560,000, involved transferring 50% of the Corporation's shares valued at $1,647,573 to its joint venture partner, reducing the Corporation's interest from 50% to 25% starting February 4, 2022. The difference between the disposal amount ($1,647,573) and the loan value ($560,000) is recorded as the loss on settlement of a long-term debt of 1,087,573 in the Statement of Income (loss).*

b) The following table shows the changes in the carrying value of Emergia's investment in associates as at March 31, 2022 and December 31, 2021:

	March 31,2022	December 31, 2021
	$	$
Beginning balance	**1,650,000**	1,650,000
Transferred from investment in a joint venture	**1,647,573**	-
Acquisition of interest	**12,062,420**	-
Increase in fair value	**6,000,000** a)	
Contributions	**-**	-
Share of net loss	**(10,946)** b)	-
Ending balance	**21,349,047**	1,650,000

[a] *Difference between the cost of the investment and the Corporation's share of the net fair value of the portfolio's identifiable assets and liabilities according to the fair value appraised by a third-party on acquisition of the investment. No equity pick-up was done as at March 31, 2022.*

[b] *Share of net loss, incurred at 12028735 Canada inc, at 25% from the February to March 31, 2022.*

Summarized financial information of the associates at 100% basis as at March 31, 2022 and December 31, 2021 are as follows:

	March 31,2022	December 31, 2021
	$	$
Current assets	**4,431,432**	888,644
Non-currents assets	**171,061,027**	17,238,877
Current liabilities	**2,505,734**	604,991
Non-current liabilities	**112,217,259**	9,259,611
Revenues	**3,431,635**	900,119
Change in fair value of investment properties a)	**15,390,899**	2,000,000
Net income (loss) and comprehensive income (loss) for the period	**16,428,735**	1,283,866

[a] *To adjust for the fair-value done by a third-party appraiser.*

NOTE 7. REVENUES

The components of revenues are as follows:

	For the three-months ended	
	March 31,2022	March 31, 2021
	$	$
Rental income	**-**	-
Lease revenues	***58,904***	141,364
Operating cost recoveries	**47,348**	94,243
	125,824	235,607
Other revenues		
Management fees	**-**	-
Dividend and interest income	**268,272**	-
	374,524	235,607

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:

	March 31,2022	December 31, 2021
	$	$
Within 1 year	**403,097**	403,097
1 to 5 years	**1,665,778**	1,665,778
After 5 years	**168,587**	168,587
	2,237,462	2,237,462

NOTE 8. PREPAIDS AND REFUNDABLE DEPOSITS

The prepaids and refundable deposits are as follows:

	March 31,2022	December 31, 2021
	$	$
Deposits related to an acquisition of interests in associates (Note 3b)	**-**	1,635,620
Other deposits and prepaid expenses	**160,305**	153,505
	160,305	1,789,125

NOTE 9. RECEIVABLES AND OTHER RECEIVABLES

The receivables are detailed as follows:

	March 31,2022	December 31, 2021
	$	$
Trade receivables	**100,499**	91,177
Government remittances	**57**	407,799
Balance of sales and other receivables [a)]	**2,509,721**	2,490,107
	2,610,277	2,989,083
Current portion	**2,610,277**	2,989,083
	-	-

[a] *The balance of sales and other receivables are detailed as follows:*

	NOTES	**March 31,2022**	December 31, 2021
		$	$
Other receivables and other current balance of sales	**3k**	**141,549**	141,464
Balance of sale, 5% interest starting January 1, 2022, maturing in December 2022	**3l**	**2,368,172**	2,348,643
		2,610,277	2,490,107

NOTE 10. TRADE AND OTHER PAYABLES

	March 31,2022	December 31, 2021
	$	$
Trade payables and accrued liabilities	**2,648,665**	5,551,612
Interest payable on other current liabilities and long-term debt	**532,825**	400,346
	3,181,490	5,951,958

NOTE 11. CONVERTIBLE DEBENTURES

The principal amount outstanding and the carrying value for the convertible debentures issued by the Corporation are as follows:

	NOTES	Issuance Date	Maturity Date	Coupon Rate	Effective Rate	Outstanding Principal	March 31, 2022 Carrying Value	December 31, 2021 Carrying Value
							$	$
Convertible Debenture	a	2021-03-10	2023-05-02	6.00%	15.00%	**9,000,000**	**8,636,743**	**8,320,796**
Convertible Debenture	b	2020-02-01	2023-06-30	12.00%	15.00%	**3,877,200**	**3,745,372**	**3,721,828**
Convertible Debenture	c	2021-10-29 2021-11-29	2023-10-29 2023-11-29	8.00%	15.00%	**3,000,000**	**2,382,005**	**2,298,399**
Convertible Debenture	d	2021-04-15 2021-05-14 2021-07-02	2022-04-15 2022-05-14 2022-07-02	20.00% 20.00% 24.00%	15.00%	**500,000** **500,000** **500,000**	**1,782,904**	**1,717,683**
Convertible Debenture	e	2019-07-31	2022-02-28	10.00%	10.00%	**778,033**	**441,568**	**430,941**
Convertible Debenture	f	2020-06-15	2022-06-14	12.00%	15.00%	**-**	**-**	**98,680**
							16,988,592	**16,588,327**
Current portion							**2,224,472**	**2,247,304**
							14,764,120	**14,341,023**

a) On March 10, 2021, the Corporation issued convertible debentures in the amount of $9,000,000. The convertible debentures, secured by investment properties, have the interests and the principal payable at the maturity, and embedded with a conversion option into Class "A" Common shares at a price of $1.00 per share. They were issued to acquire the land in Alliston, as described in Note 3d.

b) On February 1, 2020, the Corporation issued secured convertible debentures in the amount of $4,420,000. The convertible debentures, secured by investment properties, have the interests and the principal payable at the maturity, and are embedded with a conversion option into Class "A" common shares at a price of $1.00 per share. Any early redemption is without any penalty, provided a 30-day notice is provided to the investor to allow it to exercise its conversion right, should it 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.

   The convertible debenture was partially reimbursed for an amount of $1,250,000 in May 2021, with $707,200 first allocated to the accrued interests payable and $542,800 to the principal. The early redemption generated adjustment to the fair value of the financial liability and conversion component. The Corporation allocated the previous carrying amount of the financial liability between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the redemption. According to IFRS 9 – Financial Instruments, the Corporation has the choice to record the difference between the carrying amount allocated to the part derecognized and the consideration paid for the part derecognized, either as a gain or loss in the unaudited interim condensed consolidated statements of comprehensive income (loss) or as an element of other comprehensive income through contributed surplus. The Corporation recorded that difference in other comprehensive income, presented in the fair-value adjustment on the conversion options in the reconciliation of the convertible debentures.

   In December 2021, the Corporation has been granted an extension of the term, which was initially on January 31, 2022, to June 30, 2023 with no other changes than an added guarantee on the shares held in the joint venture and a mortgage on the 121, Lepine property in Gatineau. Adjustment to the fair value of the financial liability was recorded.

c) On October 29, 2021 and November 29, 2021, the Corporation issued for a total amount of $3,000,000 of unsecured convertible debentures. The unsecured convertible debentures are issued as part of the Corporation's private placement. The interests are payable semi-annually at an annual rate of 8% either in cash or in shares. They are embedded with a conversion option into "Unit" consisting of one Class "A" common share, one warrant to acquire one Class "A" common share exercisable at $1.25 until October 31, 2023, and one additional warrant to acquire one Class "A" common share exercisable at a price of $1.50 per share until October 31, 2024. The Corporation may force the conversion if the volume weighted trading price of the Class "A" common shares for a consecutive period of 20 days on the CSE is equal or higher than $1.50. The cash in the amount of $240,000 and warrant broker commissions in the amount of 282,352 warrants (valued at $147,594 using Black-Scholes Model), are treated as financing costs and amortized throughout the term of the convertible debentures.

d) On April 15, 2021, May 14, 2021 and July 2, 2021, the Corporation issued $500,000 of convertible debentures on each such date for a total of $1,500,000. The convertible debentures, guaranteed by a director, have the interests and the principal payable at the maturity, and are embedded with a conversion option into Class "A" common shares at a price of $1.00 per share. This specific financing was contracted in view of the acquisition of an income producing portfolio in Ontario (Note 3b).

e) On July 31, 2019, the Corporation issued convertible debentures in an amount of $743,382. The convertible debentures, initially secured by all present and future residential properties of the Corporation, are payable along with the promissory notes listed into long-term debt (current portion) by monthly installments of $100,000, initially payable in full by December 31, 2020. On April 21, 2021, the maturity date was amended to December 31, 2021, with accrued interests and principal payable on February 28, 2022. Partial redemption in the amount of $700,000 was done on December 2, 2021. The convertible debenture is still outstanding and payable on demand with all accrued interests as of the approval date of the financial statements.

f) On June 15, 2020, the Corporation issued convertible debentures in the amount of $100,000. The convertible debenture, unsecured and held by an officer, has the interests and the principal payable at the maturity, and are embedded with a conversion option into units comprising one Class "A" common share and one warrant exercisable at a price of $1.25 per Class "A" common share until October 31, 2023. The conversion price is the lesser of $0.75 or the price of the shares issued to investors through a public financing of the Corporation prior to the maturity date. This convertible debenture was redeemed in January 2022.

A reconciliation of the convertible debentures is as follows:

	Host instruments	Conversion Options	Total
	$	$	$
Balance at December 31, 2020	**5,109,103**	**259,750**	**5,368,853**
Issuance of new convertible debentures, net of transaction costs	11,196,391	1,916,015	13,112,406
Deferred income tax liability – conversion option	-	(533,368)	(533,368)
Amortization of transaction costs	24,436	-	24,436
Accretion on convertible debentures	1,138,017	-	1,138,017
Fair value adjustment on conversion options	-	96,691	96,691
Capitalized interests	53,871	-	53,871
Repurchase	(933,491)	-	(933,491)
Conversion	-	-	-
Balance at December 31, 2021	**16,588,327**	**1,739,088**	**18,327,415**
Issuance of new convertible debentures, net of transaction costs			
Deferred income tax liability – conversion option	-	-	-
Amortization of transaction costs	43,298	-	43,298
Accretion on convertible debentures	445,096	-	445,096
Fair value adjustment on conversion options	-	-	-
Capitalized interests	10,626	-	10,626
Redemption	(98,755)	(1,245)	(100,000)
Balance at March 31, 2022	**16,988,592**	**1,737,843**	**18,726,435**

A reconciliation of the conversion options and the contributed surplus is as follows:

	Contributed Surplus
	$
Balance as at December 31, 2020	**264,819**
Issuances of convertible debentures	1,916,015
Fair value adjustment on conversion options	96,691
Deferred income tax liability – conversion option	(533,368)
Balance as at December 31, 2021	**1,744,157**
Issuances of convertible debentures	-
Fair value adjustment on conversion options	-
Deferred income tax liability – conversion option	-
Redemption of a convertible debenture	(1,245)
Balance as at March 31, 2022	**1,742,912**

NOTE 12. BANK MORTGAGES

	NOTES	INTEREST RATE	MATURITY	March 31,2022	December 31, 2021
				$	$
Secured fixed rate mortgages	**a)**	3.85 % (2021 – 3.85%)	November 2022	**2,983,011**	3,005,653
				2,983,011	3,005,653
Current portion				**2,983,011**	3,005,653
				-	-

a) The mortgage loan, initially in the amount of $3,300,000, is secured by an investment property (121 Lepine avenue) and a guarantee from a director, bearing a fixed interest rate of 3.85%, capital and interest payable in monthly payments of $17,094, maturing in November 2022.

NOTE 13. LONG-TERM DEBT

	NOTES	WEIGHTED AVERAGE INTEREST RATE	MATURITY	March 31, 2022	December 31, 2021
				$	$
Secured	**a)**	9.38 % (2021 – 9.38 %)	June 2023	**6,578,435**	6,434,582
Secured, and guaranteed	**b)**	17.19 % (2021 – 17.16 %)	June 2023*	**22,851,580**	22,053,539
Unsecured	**c)**	8.09 % (2021 – 8.54 %)	June 2023*	**2,263,694**	2,268,308
Unsecured, and guaranteed	**d)**	7.23% (2021 – 7.23 %)	June 2023*	**429,232**	420,706
Total				**32,122,941**	31,177,135
Current portion				**1,938,377**	2,443,811
				30,184,564	28,733,324

** The loans with different maturity dates from June 2023 are detailed in their respective paragraph a) to d) below. As of December 31, 2021, the Corporation has been granted an extension of the maturity to June 30, 2023 for the majority of the loans, with the interests and capital being paid at the maturity. The weighted average of interest rates in 2021 is higher than in 2020 because the 2021 interest expenses, for some extended loans, are calculated based on the new principal amount, consisting of the accumulated unpaid interests calculated at the previous maturity dates and the original principal amounts. There is no other change in the loan agreements at the extension date.*

a) Loans are secured by investment properties.

b) Loans are secured by investment properties and personally guaranteed by a director in exchange of the 2% guarantee fee recorded as financing fees and disclosed as financing and other fees in Note 20 - Additional Information – Comprehensive Loss. The current portion of the loans consists of a $225,000 term loan bearing 8% interest, maturing June 2022 with interests being paid monthly, and a $685,114 term loan bearing 13.8% interest with interests and principal payable on demand.

c) Loans are neither secured by any investment property nor guaranteed by a director. The current portion of the loans consists of $712,273 advances from the joint venture bearing no interest rate, $79,321 advances from companies controlled by a director bearing 9%-10% interest with interests and principal payable on demand, and $321,397 promissory note bearing 10% interests with interests and principal payable in February 2022.

d) Loans are not secured by any investment property but are personally guaranteed by a director in exchange of the 2% guarantee fee, recorded as financing fees and disclosed as financing and other fees in Note 20 - Additional Information – Comprehensive Loss . The current portion of the loans consists of a $420,706 term loan bearing 8% interest with interests and principal payable on demand.

As at March 31, 2022, the Corporation was either in compliance with or had received accommodations from its creditors with respect to their debt covenants.

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:

March 31, 2022				$
	MORTGAGES	LONG-TERM DEBT	CONVERTIBLE DEBENTURES	TOTAL
Balance, beginning of year	3,005,653	31,177,135	16,588,327	50,771,115
Cash				
Repayment	(22,642)	(29,628)	(98,755)	(151,025)
New borrowings, net of transaction costs	-	550,000	-	550,000
Non-Cash				
Settlement into class "A" common shares	-	-	-	-
Settlement from asset transactions	-	(560,000)	-	(560,000)
Unpaid interest capitalized	-	985,434	10,626	996,060
Issuance of warrants-broker commission	-	-	-	-
Amortization of transaction costs	-	-	43,298	43,298
Accretion on convertible debentures	-	-	445,096	445,096
Conversion option	-	-	-	-
Reclass from trade and other payables	-	-	-	-
Balance, end of year	**2,983,011**	**32,122,941**	**16,988,592**	**52,094,544**

December 31, 2021				$
	MORTGAGES	LONG-TERM DEBT	CONVERTIBLE DEBENTURES	TOTAL
Balance, beginning of year	4,717,696	32,987,718	5,109,103	42,814,517
Cash				
Repayment	(97,668)	(3,260,331)	(933,491)	(4,291,490)
New borrowings, net of transaction costs	-	1,350,000	13,260,000	14,610,000
Non-Cash				
Settlement into class "A" common shares	-	(19,500)	-	(19,500)
Settlement from asset transactions	(1,614,375)	(4,476,046)	-	(6,090,421)
Unpaid interest capitalized	-	4,310,450	53,871	4,364,321
Issuance of warrants-broker commission	-	-	(147,594)	(147,594)
Amortization of transaction costs	-	-	24,436	24,436
Accretion on convertible debentures	-	-	1,138,017	1,138,017
Conversion option	-	-	(1,916,015)	(1,916,015)
Reclass from trade and other payables	-	284,844	-	284,844
Balance, end of year	**3,005,653**	**31,177,135**	**16,588,327**	**50,771,115**

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 convertible 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 as of March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022		December 31, 2021	
	NUMBER	$	NUMBER	$
Class "A" common shares	**42,982,896**	**87,707,069**	28,393,194	74,695,200
Class "B" common shares	**4,510,891**	**6,153,286**	4,510,891	6,153,286
	47,493,787	**93,860,355**	32,904,085	80,848,486

On January 10, 2022, Emergia completed the closing of its previously announced private placement and issued an additional 4,812,902 units (excluding 294,118 units reserved for issuance as of December 31, 2021) and 250,000 Class "A" common shares for total amount of $3,235,069, composed of $327,002 in cash (excluding $200,000 received in advance for 294,118 units reserved for issuance as of December 31, 2021) and $2,908,067 in payment of outstanding debts

($2,811,568) and consulting fees ($96,499). Each unit, issued at $0.68 per unit, was 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 Class "A" common share at a price of $1.25 per share until October 31, 2023.

This closing included the conversion of an important portion of the directors' and the Management's accrued compensation for an amount of $990,239 (representing 1,456,234 units) and the conversion of debts by creditors for an amount of $1,935,671 (representing 2,872,816 units) and $546,862 (representing 804,210 units) in cash.

At March 31, 2022 and December 31, 2021, there was no share in escrow.

NOTE 16. WARRANTS

The following is a continuity of the warrants outstanding and exercisable:

		As at March 31, 2022 Weighted Average Exercisable Price		As at December 31, 2021 Weighted Average Exercisable Price	
	EXPIRATION DATE	**NUMBER**	**$**	**NUMBER**	**$**
Beginning balance		**13,689,930**	**1.25**	9,651,158	1.25
Issuance of warrants	October 31, 2023	**4,812,902**	**1.25**	3,744,654 [a)]	1.25
Issuance of warrants	October 31, 2023	**-**	**-**	294,118 [b)]	1.25
		18,502,832	**1.25**	13,689,930	1.25

[a] *Including 284,952 warrants issued as broker warrant commission.*
[b] *Warrants reserved for issuance, along with 294,118 Class "A" common Shares (reserved for issuance), for the $200,000 received in advance of the private placement offering in January 2022.*

The Corporation deems the Black-Scholes 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 $0.90 (2021 – $0.90), an exercise price of $1.25 (2021 - $1.25), a risk-free rate of 0.72% (2021 – 0.72%), volatility of 122.33% (2021 – 122.33%), vesting immediately, and an average life of 2.02 years (2021 – 2.02 years) from the extension approval date, resulting in a fair value of the warrant of $0.34 (2021 – $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.

NOTE 17. NET INCOME (LOSS) PER SHARE

As at March 31, 2022, the Corporation generated a net income of $4,004,344 (March 31, 2021 – net loss of $153,411). The net income is mainly due to fair value adjustment on investment in associates at acquisition, partially offset by the loss on settlement of a long-term debt (refer to Note 6).

The calculation of basic net income (loss) per Class "A" common share as at March 31, 2022 was based on the income (loss) attributable to common shareholders which corresponds to the income for the three-month period ended March 31, 2022 of $4,004,344 (March 31, 2021 – loss of $153,411) and a weighted average number of common shares of 45,073,301 (March 31, 2021 – 24,768,000).

The calculation of diluted net income (loss) per share on March 31, 2022 was based on the income (loss) (after adjusting for interest on the convertible debentures) attributable to net potential common shareholders upon their conversion into Class "A" common shares. As a result, the dilutive net income as at December 31, 2021 was $4,345,038 (March 31, 2021 – net loss of $153,411), and a weighted average number of dilutive common shares of 57,906,225 (March 31, 2021 – 24,768,000). All warrants (Note 16 – Warrants) have not been included in the diluted net income due to their anti-dilutive effect. As at March 31, 2021, the dilutive shares were equal to the basic shares due to the anti-dilutive effect of deficit accumulated by the Corporation.

The calculation of the diluted earning per share of Class "A" common shares is as follows:

	March 31, 2022	March 31, 2021
	$	**$**
Net income (loss)	**4,004,344**	(153,411)
Effect of interest on convertible debentures on net income (loss)	**340,694**	-
Net income (loss) adjusted for the effect of dilution	**4,345,038**	(153,411)
Weighted average number of Class "A" common shares	**45,073,301**	24,768,000
Dilutive effect of convertible debentures on weighted average number of common shares	**12,832,924**	-
	57,906,225	24,768,000
Diluted earnings per share	**0.08**	(0.01)

NOTE 18. RELATED PARTY TRANSACTIONS

Related parties include the Corporation's key management personnel. The compensation to key management is ether settled in cash or in Class "A" common shares or other instruments as initially agreed upon by key management and the Corporation.

The remuneration of key management personnel includes the following:

	For the three-months ended	
	March 31, 2022	March 31, 2021
	$	$
Management fees	**263,489**	200,550

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	
	March 31, 2022	March 31, 2021
	$	$
Consulting fees and professional fees	**69,117**	96,505
Financing fees	**160,096**	82,345

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

	March 31, 2022	December 31, 2021
	$	$
Companies controlled by directors and officers	372,060	2,225,651
Accrual compensation of directors and officers	346,484	619,982

The Corporation has additional loans and advances with related parties disclosed in Note 13 - Long-Term Debt. As at December 31, 2021, the Corporation accrued a fee of 2% for the personal guarantees given by a director on the Corporation's secured and unsecured liabilities. This 2% fee was recorded as Financing Cost and presented within Financing Fees. In January 2022, the director waived and renounced to the payment of such fee, accrued over the periods ending in December 2021 and 2020 , thus reducing the associated accrued liability accordingly.

NOTE 19. ADDITONAL INFORMATION – CASH FLOW

The changes in working capital items are detailed as follows:

	For the three-months ended	
	March 31, 2022	March 31, 2021
	$	$
Receivables and other receivables	**378,806**	266,924
Prepaids and deposits	**304,798**	800,402
Trade and other payables	**(51,234)**	(1,013,325)
	632,370	54,001
Additional cash flow information:		
Interest paid	**64,837**	97,213

NOTE 20. ADDITIONAL INFORMATION – COMPREHENSIVE INCOME (LOSS)

Administrative expenses are composed of the following:

	For the three-months ended	
	March 31, 2022	March 31, 2021
	$	$
Consulting and professional fees	**274,750**	230,537
Management fees	**263,489**	228,050
	538,239	458,587

Financing costs are composed of the following:

	For the three-months ended	
	March 31, 2022	March 31, 2021
	$	$
Interest	**504,120**	508,328
Financing and other fees	**50,000**	-
	554,120	508,328

NOTE 21. FINANCIAL ASSETS AND LIABILITIES

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

	March 31, 2022		December 31, 2021	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial assets	**$**	**$**	$	$
Financial assets at amortized cost				
Cash	**275,812**	**275,812**	437,936	437,936
Receivables and other receivables	**2,610,277**	**2,610,277**	2,581,284	2,581,284
Refundable deposits	**-**	**-**	1,635,620	1,635,620
Total financial assets	**2,886,089**	**2,886,089**	4,654,840	4,654,840
Financial liabilities				
Financial liabilities at amortized cost				
Trade and other payables	**3,181,490**	**3,181,490**	5,951,958	5,951,958
Convertible debentures	**16,988,592**	**16,988,592**	16,588,327	16,588,327
Bank mortgages	**2,983,011**	**2,983,011**	3,005,653	3,005,653
Long-term debt	**32,122,941**	**32,122,941**	31,177,135	31,177,135
Total financial liabilities	**55,276,034**	**55,276,034**	56,723,073	56,723,073

Financial assets and financial liabilities measured at fair value in the unaudited interim condensed consolidated statements 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, and trade and accrued 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, long-term debts, and convertible debentures 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, long-term debts, and convertible debentures 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 interest rate risk, credit risk, liquidity and availability of capital risk and liquidity of real estate risk. The following analysis enables users to evaluate the nature and extent of the risks at the end of the reporting period.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Emergia monitors its interest rate exposure on an ongoing basis. The Corporation requires financial resources to complete the implementation of its strategy which includes refinancing of short-term debt, acquisition of income producing properties and development of currently owned projects. The successful implementation of Emergia's strategy will require cost effective access to additional funding. There is a risk that interest rates may increase which could impact long-term borrowing costs and negatively impact financial performance. As at March 31, 2022 and December 31, 2021, bank mortgages, convertible debentures, long-term debts are at fixed interest rates, and the refinancing of any short-term debt underway is expected to reduce the current interest rates, therefore mitigating the Corporation's risk to interest rates.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is the full carrying value of the financial instrument. Exposure to credit risk relates to cash, receivables and other receivables. Emergia is exposed to credit risk resulting from the possibility that counterparties could default on their financial obligations to the Corporation. Emergia mitigates the risk of credit loss through careful selection of tenants and look to obtain national tenants or tenants in businesses with a long-standing history or perform financial background checks including business plan reviews for smaller tenants. We manage our concentration risk by renting to an expansive tenant base, with no dependency on rents from any one specific tenant. The maximum exposure as at March 31, 2022, and December 31, 2021 is the carrying amount of these instruments, the credit risk is not significant.

Liquidity and Capital Availability Risk

Liquidity risk is the risk that Emergia cannot meet a demand for cash or fund 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 and other equity instruments, and convertible debentures.

The Corporation's financial liabilities have contractual maturities as summarized below:

March 31, 2022	WITHIN 6 MONTHS	6 TO 12 MONTHS	1 TO 5 YEARS	LATER THAN 5 YEARS
Trade and other payables	3,181,490	-	-	-
Convertible debentures	2,356,533	-	18,007,500	-
Bank mortgages	2,983,011	-	-	-
Long term debt	1,938,377	-	33,561,798	-
Total	**10,459,411**	**-**	**51,569,298**	**-**

December 31, 2021	WITHIN 6 MONTHS	6 TO 12 MONTHS	1 TO 5 YEARS	LATER THAN 5 YEARS
Trade and other payables	5,951,958	-	-	-
Convertible debentures	1,736,533	620,000	18,007,500	-
Bank mortgages	46,547	2,959,106	-	-
Long term debt	2,443,811	-	33,561,798	-
Total	**10,178,849**	**3,579,106**	**51,569,298**	**-**

As at March 31, 2022, the Corporation was either in compliance with or had received accommodations from its creditors with respect to their debt covenants.

The Corporation is mitigating the liquidity risk by negotiating new equity and debt financing, and may also sell certain investment properties. The private placement offering in January 2022 settled a large amount of liabilities, and other private placement offerings took place in early April 2022 (refer to Note 26 - Subsequent Events). There is no guarantee that the Corporation will succeed in the selling of such properties or obtaining additional debt or equity financing or be able to alter the future cash flow forecast. However, with the Corporation's success in 2020 and in 2021 and again in early 2022, to obtain equity financing and to dispose of assets, to significantly reduce its short-term debt, and to renegotiate the terms and conditions of its senior debts, Emergia has proven its ability to meet its obligations as they become due. Based on its performance to date and the support of its lenders and creditors, management believes that the liquidity risk described above is not significant and that there are limited material uncertainties related to the Corporation's capacity to meet its obligations when they become due.

Liquidity of Real Property

An investment in real estate is relatively illiquid. Such illiquidity will tend to limit Emergia's ability to adjust its portfolio promptly in response to changing economic or investment conditions or in the event it seeks to sell real estate assets as a source of liquidity. In recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and during an economic recession Emergia may be faced with ongoing expenditures with a declining prospect of incoming revenue. In such circumstances, it may be necessary for Emergia to dispose of properties at lower prices to generate sufficient cash for operations. Considering Emergia's diversified portfolio, management considers this risk as being not significant.

NOTE 23. CAPITAL MANAGEMENT

The Corporation's primary objective when managing capital is to provide financial capacity and flexibility to meet its strategic objectives.

The Corporation's liquidity needs are for development costs, potential property acquisitions, scheduled debt maturities and non-recurring capital expenditures. The Corporation's strategy is to meet these needs with one or more of the following: cash flow from operations, credit facilities, and refinancing opportunities as well as issuances of shares or units.

The following schedule details the components of the Corporation's capital:

	March 31, 2022	December 31, 2021
	$	$
Liabilities		
Convertible debentures	**16,988,592**	16,588,327
Bank mortgages	**2,983,011**	3,005,653
Long-term debt	**32,122,941**	31,177,135
Shareholders' equity		
Share capital	**93,860,355**	80,848,486
Total Capital	**145,954,899**	131,619,601
Capital Structure (Total Liabilities to Equity)	**56%**	63 %

NOTE 24. SEGMENT INFORMATION

The Corporation operates in three different segments of the real estate industry: (i) ownership of revenue-producing multi-residential, commercial, industrial and office properties ("**Rental Income**"), (ii) development and sale of investment properties ("**Development Income**"), (iii) management of investment properties from associates and joint ventures ("**Management Fees**"). Operating performance of the Corporation is evaluated primarily based on the development of the properties and their change in fair value as well as operating income of these three segments. Centrally managed expenses such as interest, amortization, and general administrative costs are not included or allocated to operating segment results. As at March 31, 2022 and 2021, the Corporation does not have Development Income.

The following summarizes the Corporation's assets as at March 31, 2022 and December 31, 2021:

	Income Producing Properties		Properties Under Development		Associate and Joint Venture		Corporation[a)]		Consolidation	
	March 31, 2022	December 31, 2021	**March 31, 2022**	December 31, 2021	**March 31, 2022**	December 31, 2021	**March 31, 2022**	December 31, 2021	**March 31, 2022**	December 31, 2021
Total Assets	**4,600,000**	4,600,000	**116,042,934**	114,725,000	**15,349,046**	4,956,460	**4,895,914**	7,018,644	**140,887,894**	131,300,104

[a] *Represents the assets and revenues not included in the income producing properties, properties under development and associates and joint ventures, but includes assets such as properties held for sale, the investment in companies, the receivables and other cash or cash equivalent assets.*

The following summarizes the Corporation's operating results for the three-month ended March 31, 2022 and 2021:

	Income Producing Properties		Properties Under Development		Associate and Joint Venture		Corporation		Consolidation	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Rental income	**106,252**	235,607	**-**	-	**-**	-	**-**	-	**106,252**	235,607
Management Fees, dividends, interests	**-**	-	**-**	-	**-**	-	**268,272**	-	**268,272**	-
Operating income	**(55,019)**	74,145	**-**	-	**-**	-	**268,272**	-	**213,253**	74,145

NOTE 25. COMMITMENTS AND CONTINGENCIES

Emergia is involved in litigation and claims which arise from time to time in the normal course of business. None of these contingencies, individually or in aggregate, would result in a liability that would have a significant adverse effect on the financial position of the Corporation.

NOTE 26. SUBSEQUENT EVENTS

Private Placements

On April 8, 2022, the Corporation completed another closing of a private placement for a total amount of $1,305,000 in cash, composed of $705,000 of unsecured convertible debentures and $600,000 in units of the Corporation at a price of $0.80 per unit. The Debentures bear interest at the rate of 8% per year, accruing in arrears, payable semi-annually in cash or in Class "A" common shares of the Corporation. The debentures are convertible at the holder's option into one unit (the "Debentures Units") of the Corporation at a conversion price of $0.90. Each Debenture Unit is composed of one Class "A" common share in the capital of the Corporation and two (2) warrants of the Corporation: (i) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.25 per share until October 31, 2023 and (ii) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.50 per share until October 31, 2024. In the event that, during the term of the debentures, the volume weighted trading price of the Class "A" common shares for the last 20 days on the CSE is equal to, or greater than $1.50 per share, the Corporation may then force the conversion of the debentures into Debenture Units. Each unit, issued at $0.80 per Unit, is 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 Class "A" common share at a price of $1.25 per share until October 31, 2023.

On April 14, 2022, an holder of unsecured convertible debentures converted an amount of $425,000 of its debentures into units of the Corporation at $0.85 per unit, each unit being composed of one Class "A" common share in the capital of the Corporation and two (2) warrants of the Corporation: (i) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.25 per share until October 31, 2023 and (ii) a warrant of the Corporation entitling the holder thereof to purchase one Class "A" common share at a price of $1.50 per share until October 31, 2024.

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