2022 ANNUAL REPORT

GENESIS

TOGETHER, WE MA
A BETTER PLACE.

AKE

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MESSAGE FROM THE PRESIDENT AND CEO

Genesis is pleased to report after tax earnings of $4.5 million for 2022 ($0.08 per share), with our home building division contributing earnings of $3.3 million and our land development division contributing $1.2 million. This marks the 22nd consecutive year of positive earnings. Annual revenue increased by 27% to $140.4 million driven by 169 home sales, 236 lot sales and 15.29 acres of multi-family and commercial land parcel sales.

The first quarter of 2022 saw a very strong housing market in Calgary, but as interest rates started to climb, the housing market started to cool. In the first quarter of 2022, Genesis entered into 175 new home sales contracts, by year end this figure had risen to 233. Supply chain issues impacted the delivery of homes, and 169 home sales were closed during the year, down from 191 in 2021. The company enters 2023 with an order book of 205 firm sales contracts, up from 141 at the start of 2022. Genesis is currently building homes in 5 Genesis communities and 5 third party communities where we have 396 lots under contract, providing a clear avenue of growth for our home building division.

Our land development division invested $38.3 million in our communities in 2022, creating 288 new residential lots and 6.5 acres of multifamily and commercial land parcels. The company was also successful in having Growth Management Overlays ("GMOs) removed from our Lewiston (130 acres) and Logan Landing (354 acres) projects, allowing Genesis to apply for final development approvals. In 2023, pending final approvals, three new Genesis communities, including these two, could be under development. Genesis also completed the acquisition of a 157 acre parcel in east Calgary and announced that it had entered into a contract to acquire a 160 acre parcel in southeast Calgary.

2022 marked the culmination of a transition period for Genesis, with significant progress in implementing our growth plan. From 2016 through 2019, Genesis focused on rationalizing its operations, disposing of non-core assets, and reducing debt. In 2019 we began acquiring new land positions and embarked on an ambitious plan to expand our home building operations. From the beginning of 2019 through to the end of 2022 Genesis has acquired or committed to acquire 447 acres of new development land, entered into contracts to acquire 477 lots in third party communities for our home building division, invested in two communities being developed by other developers and entered into a partnership to develop a multi-family project. Total capital investment in these activities exceeds $167 million.

In January 2023, a significant step in executing our growth plan was achieved with two high quality builders investing in our first community development limited partnership. This partnership now owns our Lewiston community, with Genesis retaining a 60% interest in the partnership and each of the builders owning 20%. Genesis is the manager of this development, and each of the builders has a right of refusal to acquire 30% of the residential lots created in Lewiston. The creation of this partnership and related project financing surfaced $31.8 million of cash for Genesis, which may be used to fund additional growth and other corporate purposes.

Partnerships such as this, allow Genesis to immediately realize a portion of the value created through the land acquisition and approval processes once the land is "shovel ready", while retaining the role as manager and having several quality builders as partners and likely buyers of a large number of lots.

Other achievements during this period (2016 to 2022) include returning $66 million to shareholders by way of dividends, completing a $30 million equity issue in December of 2021 and ending 2022 with a low debt to assets ratio of 18%.

Moving forward, we expect tight housing market conditions to continue, fueled by Alberta's strong economy, the relative price and lifestyle attractiveness of the Calgary Metropolitan Area compared to other Canadian markets and expanded international immigration targets set by the federal government. Nonetheless, we remain cautious as the dramatic increases in interest rates seen in 2022 are having a dampening effect on the North American economy, including the Calgary housing market.

Our team remains focused on delivering homes and communities that people want to live in now and in the future, creating a workplace people thrive in and delivering exceptional results to our investors. The company enters 2023 with low debt levels, 205 home sales under contract, high quality home building partners, and with the challenges of securing final approvals for the Huxley and Logan Landing projects, commencing on-site development at Lewiston and managing supply chain issues.

I would like to welcome Mr. Calvin Younger to our Board of Directors. Mr. Younger is Senior Vice President and Head, Real Estate Finance – Canada, Business and Corporate Banking with CIBC. Mr. Younger has a wealth of knowledge about the residential real estate industry through his long career with CIBC, other banks and as a partner in the real estate advisory business of Ernst & Young. I look forward to his guidance, advice, and oversight – particularly as Genesis executes its growth business plan.

Finally, I want to thank all members of our team, including staff, consultants, and contractors, for their extraordinary work, and our board of directors and shareholders for their consistent support and guidance. The growth platform created through the efforts of the last several years is a testament to the entire team.

After many years of transition, the Genesis team is excited about the prospects ahead.

IAIN STEWART
President and Chief Executive Officer

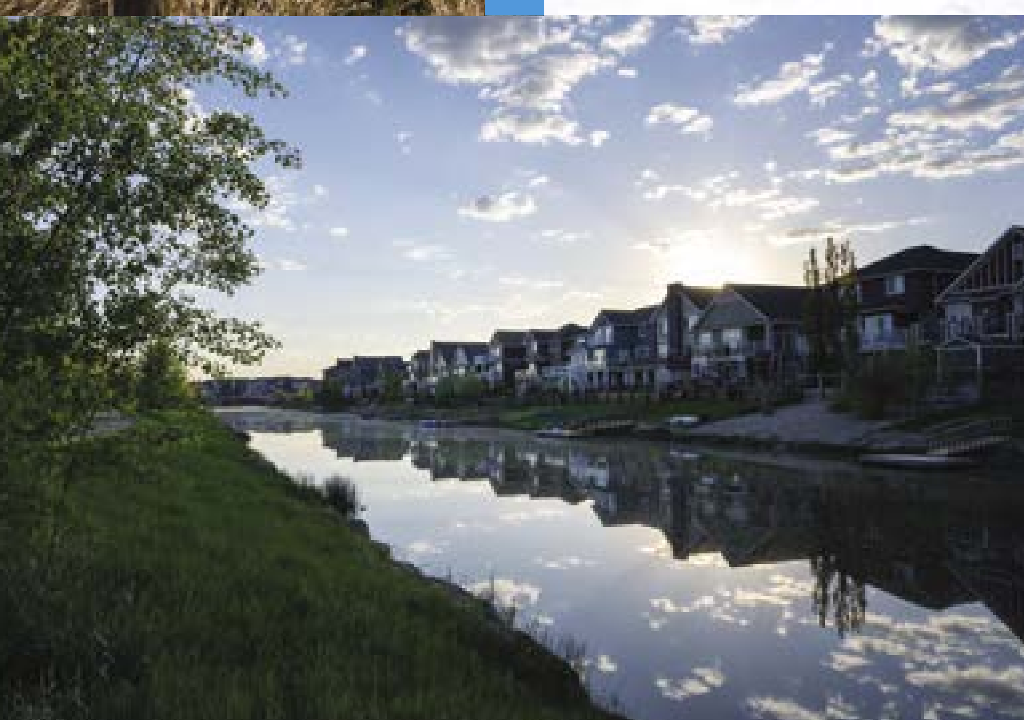
LOGAN LANDING

LEWISTON

HOTCHKISS

BAYVIEW

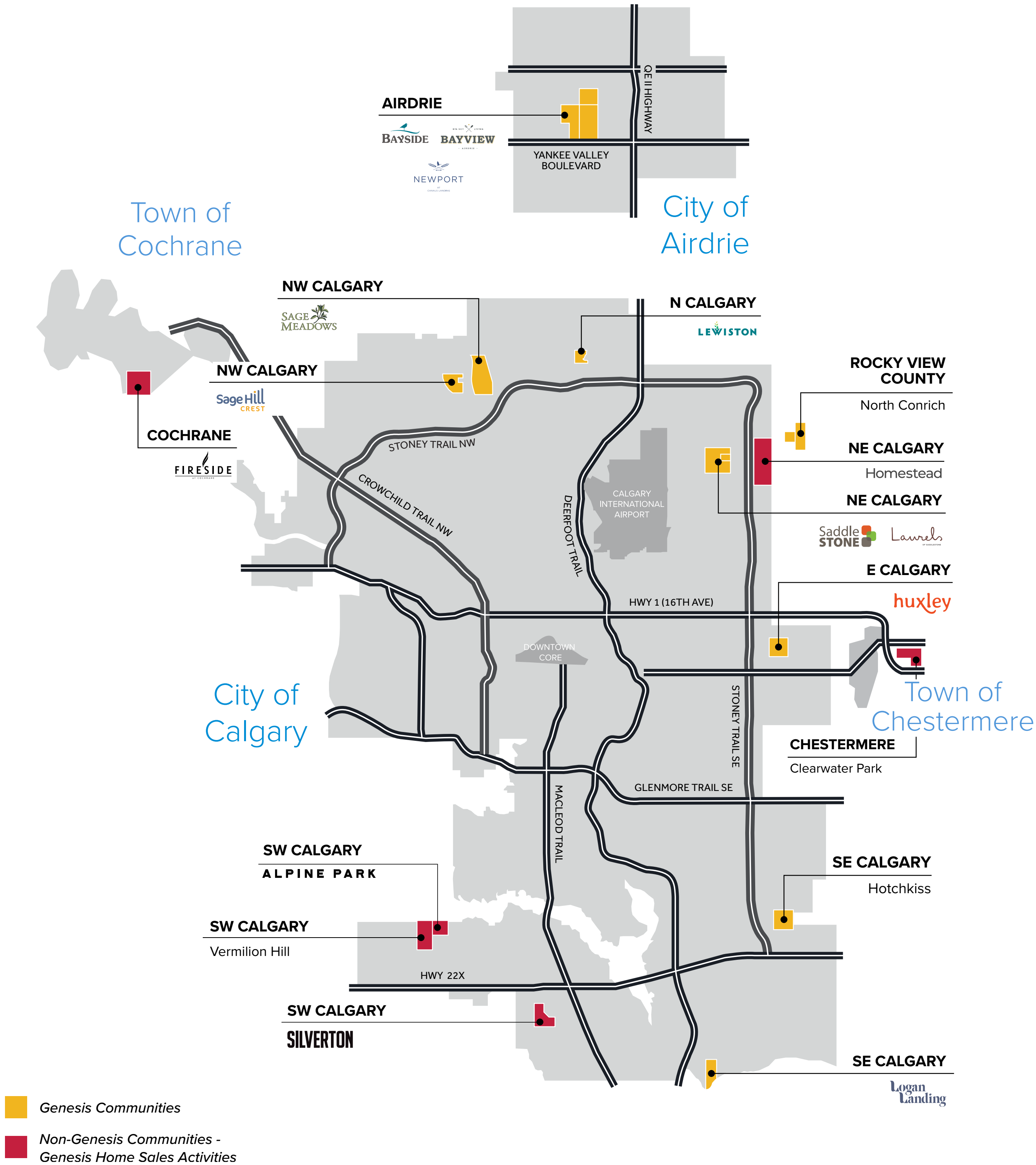
HUXLEY



BAYSIDE

SAGE HILL CREST

GENESIS PROJECTS AND COMMUNITIES



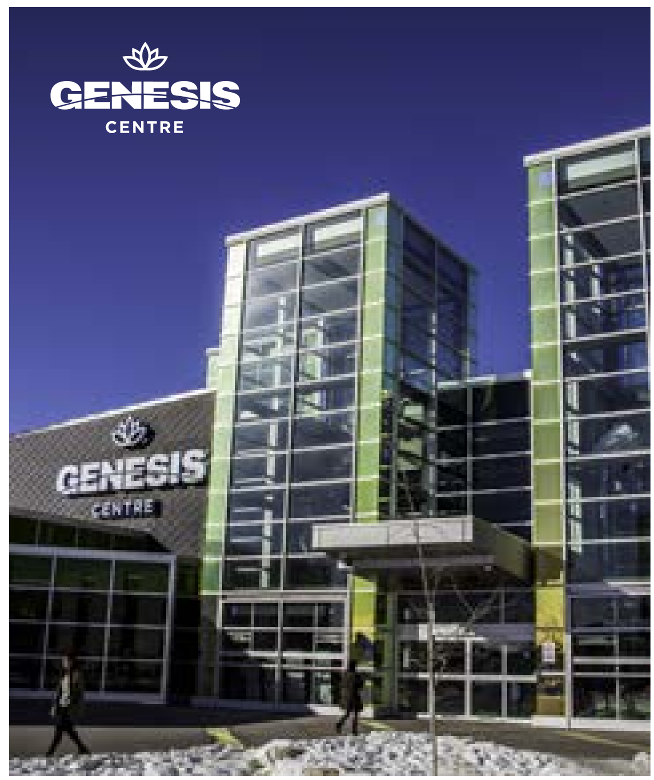
COMMUNITY INVOLVEMENT

NE CALGARY

Genesis Centre
Inspiring Community Wellness

The Genesis Centre of Community Wellness is a great example of our role as a community builder Community leaders in Northeast Calgary were determined to bring the dynamic and diverse cultures of the local communities together to promote safe, cooperative and actively healthy neighbourhoods. To realize their dream, these visionary leaders founded the Northeast Centre of Community Society (NECCS), an organization dedicated to the challenge of building a facility that would serve the sport, recreation, educational and cultural needs of the northeast. We educational and cultural needs of the northeast. We saw the opportunity to support and fund this incredible facility as a perfect alignment of our core values. The dream quickly started to take shape, gaining support and funding from the City of Calgary and YMCA, along with a generous naming sponsorship from Genesis.

Genesis continues to play a part in the support of The Genesis Centre – a 225,000 square foot, $120 million multi-purpose complex built to enrich the health, wellness, and unity of communities in Northeast Calgary.



AIRDRIE

Genesis Place

Genesis Place, the amazing recreation facility in Airdrie, acts as a gathering place, hub of activity and true heart of the community. We are proud of our commitment and on-going support of Genesis Place and what it means to the quality of life for the community of Airdrie.










MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2022

The Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of operations of Genesis Land Development Corp. ("**Genesis**", "**the Corporation**", "**we**", "**us**", or "**our**") should be read in conjunction with the consolidated financial statements and the notes thereto for years ended December 31, 2022 and 2021, prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The consolidated financial statements and comparative information have been reviewed by the Corporation's audit committee, consisting of four independent directo rs, and approved by the board of directors of the Corporation. Additional information, including the Corporation's Annual Information Form ("**AIF**") is available on SEDAR at www.sedar.com.

All amounts are in thousands of Canadian dollars, except per share amounts or unless otherwise noted. Basic and diluted earnings (loss) per share, cash flows from operating activities per share (basic and diluted), and dividends per share for prior periods have been recalculated to account for the impact of the Corporation's share issue pursuant to a rights offering that closed on December 17, 2021. This MD&A is dated as of March 2, 2023.

STRATEGY AND 2022 BUSINESS PLAN

Strategy

Genesis Land Development Corp. ("Genesis" or the "Corporation") is an integrated land developer and residential home builder operating in the Calgary Metropolitan Area ("CMA") with a strategy to grow its portfolio of well-located, entitled and unentitled primarily residential lands and serviced lots in the CMA.

As a land developer, Genesis acquires, plans, rezones, subdivides, services and sells residential lots and commercial and industrial lands to third party developers and builders, and sells lots and completed homes through a wholly-owned subsidiary, Genesis Builders Group Inc. ("GBG"), its home building division. The land portfolio is planned, developed, serviced and sold as single-family lots and townhouse, multi-family and commercial parcels at opportune times with the objective of maximizing the risk adjusted net present value of the land and to maximize net cash flow.

GBG designs, builds and sells homes on a significant portion of Genesis' single-family lots and townhouse land parcels. GBG also acquires single-family lots from other land developers to build and sell single-family homes in additional CMA communities.

Genesis manages its financial position by prudently and opportunistically allocating its cash resources among the following:

- Maintaining a strong balance sheet as the priority;
- Acquiring and developing land either directly or through land development entities; and
- Paying dividends and/or buying back its common shares.

Highlights:

- ***$140,357 of Revenues in year-end ("YE") 2022:*** Genesis generated revenue of $140,357 in YE 2022 up from $109,761 achieved in YE 2021. Fourth quarter ("Q4") 2022 revenues of $54,157 were higher when compared to $26,531 generated in Q4 2021.

- ***Net Earnings in YE 2022 were $4,520*:** Net earnings were positive for the 22nd consecutive year with net earnings attributable to equity shareholders in YE 2022 of $4,520 ($0.08 net earnings per share - basic and diluted), compared to $10,877 ($0.24 net earnings per share - basic and diluted) in YE 2021. Net earnings attributable to equity shareholders in Q4 2022 were $3,062 ($0.05 net earnings per share - basic and diluted) compared to $4,252 ($0.09 net earnings per share - basic and diluted) in Q4 2021.

- ***236 Lots Sold:*** In YE 2022, Genesis sold 236 residential lots (144 to third-party builders and 92 through its home building division, GBG), a decrease of 5% from 247 lots in YE 2021 (60 to third-party builders and 187 through GBG). In Q4 2022, Genesis sold 106 residential lots (84 to third-party builders and 22 through GBG) compared to 49 lots in Q4 2021 (2 to third-party builders and 47 through GBG).

- ***169 Homes Sold:*** In YE 2022, Genesis sold 169 homes, a decrease of 12% from the 191 sold in YE 2021. In Q4 2022, Genesis sold 57 homes, compared to 51 sold in Q4 2021. During YE 2022, Genesis had 233 new home orders compared to 249 for YE 2021. Genesis had 205 outstanding new home orders on hand at December 31, 2022 (141 at December 31, 2021).

- ***$15,991 of Development Land Sales:*** In YE 2022, Genesis sold five development land parcels for $15,991 versus four parcels for $5,870 (including one owned by a limited partnership for $925) in YE 2021. Genesis sold two development land parcels for $6,338 in Q4 2022 versus no development land sold in Q4 2021.

- ***Cash on Hand of $36,598:*** On December 31, 2022, Genesis had $36,598 in cash and cash equivalents.

- ***Dividends of $0.15 per share in 2022:*** Total cash dividends of $8,530 ($0.15 per share) were paid during the year ended December 31, 2022 of which $0.075 was declared and paid in Q4 2022.

- ***Land Acquisitions:*** In Q2 2022, Genesis closed the acquisition of approximately 157 acres of future residential development land (Huxley) in the east sector of the City of Calgary for a total purchase price of $29,150. In Q3 2022, Genesis paid $6,699 to two limited partnerships (controlled entities within the consolidated entity) resulting in Genesis directly owning 100% of three land parcels totaling 456 acres in North Conrich, immediately east of Calgary in Rocky View County. In Q2 2022, Genesis entered into an agreement to acquire approximately 160 acres of future residential development land in the southeast sector of the City of Calgary for a total purchase price of up to $30,000. Genesis has paid a non-refundable deposit of $3,300 with the balance due on closing which is scheduled for January 31, 2025.

- ***Lewiston Lands Limited Partnership ("LLLP"):*** During the year ended December 31, 2022, the Corporation transferred approximately 130 acres of residential development land located in north Calgary in the Keystone Area Structure Plan to LLLP. At December 31, 2022, 100% of LLLP was owned by Genesis. Subsequent to December 31, 2022, Genesis sold a 20% ownership stake in LLLP to each of two Calgary based third party builders. The transaction closed on January 16, 2023, for a cash consideration for each 20% ownership stake of $5,880 (net of assumption of debt of $4,000 each) resulting in gross proceeds for the sale of a 40% ownership interest of $11,760 (net of assumption of debt of $8,000).

OPERATING HIGHLIGHTS

Key financial results and operating data for Genesis were as follows:

($000s, except for per share items or unless otherwise noted)	Three months ended December 31, (1) 2022	2021	Year ended December 31, (2) 2022	2021
Key Financial Data				
Total revenues	**54,157**	26,531	**140,357**	109,761
Direct cost of sales	**(45,487)**	(19,594)	**(114,285)**	(82,186)
Gross margin before reversal of write-down (3)	**8,670**	6,937	**26,072**	27,575
Gross margin before reversal of write-down (%) (3)	**16.0%**	26.1%	**18.6%**	25.1%
Reversal of write-down of real estate held for development and sale	**1,086**	3,265	**1,086**	4,268
Gross margin	**9,756**	10,202	**27,158**	31,843
Net earnings attributable to equity shareholders	**3,062**	4,252	**4,520**	10,877
Net earnings per share - basic and diluted	**0.05**	0.09	**0.08**	0.24
Cash flows (used in) from operating activities	**(1,686)**	(6,326)	**(43,756)**	2,388
Cash flows (used in) from operating activities per share - basic and diluted	**(0.03)**	(0.15)	**(0.77)**	0.05
Key Operating Data				
Land Development				
Total residential lots sold (units)	**106**	49	**236**	247
Residential lot revenues	**18,015**	8,423	**40,639**	41,095
Gross margin on residential lots sold	**3,808**	3,540	**8,113**	14,698
Gross margin on residential lots sold (%)	**21.1%**	42.0%	**20.0%**	35.8%
Average revenue per lot sold	**170**	172	**172**	166
Development land revenues	**6,338**	-	**15,991**	5,870
Home Building				
Homes sold (units)	**57**	51	**169**	191
Revenues (4)	**33,799**	26,024	**100,680**	92,416
Gross margin on homes sold	**4,783**	3,397	**16,931**	12,226
Gross margin on homes sold (%)	**14.2%**	13.1%	**16.8%**	13.2%
Average revenue per home sold	**593**	510	**596**	484
New home orders (units)	**31**	81	**233**	249
Outstanding new home orders at period end (units)			**205**	141

Key Balance Sheet Data	As at Dec. 31, 2022 (2)	As at Dec. 31, 2021 (2)
Cash and cash equivalents	**36,598**	63,975
Total assets	**364,140**	324,929
Loan and credit facilities	**65,057**	32,668
Total liabilities	**136,803**	88,991
Shareholders' equity	**224,632**	228,624
Total equity	**227,337**	235,938
Loan and credit facilities to total assets	**18%**	10%

(1) Three months ended December 31, 2022 and 2021 ("Q4 2022" and "Q4 2021")
(2) Year ended December 31, 2022 and 2021 ("YE 2022" and "YE 2021")
(3) Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
(4) Includes other revenues and revenues of $3,995 for 22 lots in Q4 2022 and $16,953 for 92 lots in YE 2022 purchased by the Home Building division from the Land Development division ($7,916 and 47 in Q4 2021; $29,620 and 187 in YE 2021) and sold with the home. These amounts are eliminated on consolidation

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading "*Factors Affecting Results of Operations*" in this MD&A.

Factors Affecting Results of Operations

When reviewing the results, there are a number of factors that have historically affected Genesis' results of operations, including:

- the volatility of oil and gas prices and changes in the Canadian/US dollar exchange rate, both of which impact the Alberta energy industry, and have significant impact on the CMA real estate market and economy;
- changes to the regulatory environment, both direct and indirect, including for example, the land development approval process, mortgage lending rules, immigration policies and economic restrictions imposed by regulatory authorities;
- changes in interest rates, including residential mortgage rates and the rates of interest charged to Genesis on its various credit facilities;
- costs incurred for the development and servicing of land and the sale of residential lots and other land parcels occurs over a substantial period of time and results in cash flows that vary considerably between periods, creating significant volatility in the revenues, earnings and cash flows from operating activities;
- changes in home construction costs due to the availability and timing of trades, material and overall supply chain issues;
- land, lot and home prices and gross margins vary by community and lot/home type, the nature of the development work required to be undertaken before the land and lots are ready for sale, and the original cost of the land and servicing; and
- seasonality which has historically resulted in higher revenues and higher cash outflows in the summer and fall months when home building sales and land servicing often peak.

Market Overview

The Alberta economy remained relatively strong through Q4 2022 as prices for the key natural resources, oil and natural gas, produced in the province remained stable. The Royal Bank of Canada ("RBC") estimates Alberta's 2022 GDP grew by 4.9% (2021 - 4.8%) but is forecasting growth slowing to 1.9% in 2023 reflecting the increasing economic headwinds caused by higher interest rates and inflation.

According to the Calgary Real Estate Board ("CREB") year to date ("YTD") 2022 residential home sales in Calgary increased by 8% and the benchmark home sales price was up 10% over the same period in the prior year. Home sales inventories as at December 31, 2022 remain at historically low levels in Calgary with supply at 1.84 months and in neighboring Airdrie, where Genesis has two active projects, there was only 1.37 months of home supply. Four months of supply is generally considered to reflect a balanced market. The rising lending rates, higher home prices and inflationary pressures are weighing on demand, resulting in the pace of home sales slowing, with December 2022 sales being 30% lower than in 2021. However, the limited supply may continue to provide support for home prices.

RBC publishes an affordability measure that calculates the share on income that a household would need to cover ownership costs and notes that the Calgary market still remains affordable. As at December 2022, RBC's aggregate affordability measure is 41.6%, for Calgary, which is above the long-term average of 38.7% but well below that of Canada's largest markets of Toronto and Vancouver, at 85% and 96% respectively. RBC notes that the higher interest rates are having a significant negative impact on prices in major markets however the impact in Calgary has been much less severe.

Supply chain issues continue to impact construction costs and timelines in both our land development and home building divisions. Some of the strain has eased as home sales activity has slowed across most North American markets, however restrictions in the availability of skilled labor and some products and materials such as appliances, PVC products, concrete and electrical transformers remain an issue. The result has been delays in delivering lots and homes to customers together with cost increases. Genesis addressed these concerns by working proactively with key contractor partners, advising home buyers that delays were inevitable (and to plan accordingly) and by increasing home pricing where possible to address cost pressures.

2022 Business Plan

Progress on 2022 Business Plan

During 2022, Genesis continued to execute its growth business plan. Genesis achieved some significant milestones, including the removal of Growth Management Overlays ("GMOs") which, more fully described below, prohibited development of our Lewiston and Logan Landing lands. Through GBG, Genesis has contracted to purchase 477 lots through third party developers and is now building homes in 10 communities which provides additional growth opportunities. In addition, subsequent to December 31, 2022, Genesis sold 40% of Lewiston by way of two 20% interests in a land development partnership sold to local third party builders. This approach to realizing land values and accelerating absorption of lots will be considered for other communities in Genesis' inventory.

The following discussion provides additional discussion of progress made on key elements of the growth plan.

1) Obtaining Additional Zoning and Servicing Entitlements

Progress in obtaining additional zoning and servicing entitlements for land continues, although approval processes continue to be subject to delays and uncertainty. Zoning and servicing entitlements are granted by the applicable municipal authorities. The timelines discussed below are management's best estimates at this time, given the uncertainties related to the regulatory approval process and market conditions.

The following three core projects have made substantial progress in the approval processes at the City of Calgary:

- Logan Landing: Genesis owns 354 acres of undeveloped land in Calgary's southeast quadrant referred to as "Logan Landing". An Area Structure Plan ("ASP") for a new residential community on these lands was approved by Calgary City Council ("Council") in November 2019. Outline plan and land use applications have been submitted and City of Calgary Planning Commission approval is anticipated in Q1 2023. A GMO preventing development of these lands was removed in September 2022. Council adopts GMOs to control the supply of land available for development at any time. Final pre-development approvals are expected to be in place in mid-2023.
- Lewiston: Genesis acquired 130 acres of residential development land in north Calgary in 2019, which was subsequently sold to LLLP in 2022. The GMO preventing development was removed by Council in September 2022. Outline plan and land use applications approvals were received from Council in November 2022. Site grading has been completed and Genesis is ready to develop this community. Phase 1 Tentative Plan and engineering drawings have been submitted for approval and Genesis plans to proceed with servicing in Spring 2023.
- Huxley (Belvedere): Genesis has prepared and submitted an outline plan and land use plans to the City of Calgary for the 157 acres it acquired in Q2 2022, in the Belvedere ASP. These lands are not subject to a GMO and Genesis is working to have Outline Plan and Land Use approvals in Q2 2023 to allow site grading to commence in Q3 2023.

The following project is progressing through approval process at Rocky View County and no changes occurred in Q4 2022:

- OMNI ASP (in North Conrich): Genesis has received ASP approval on a 185-acre commercial and retail project on a portion of the lands as Genesis controls 610 acres of undeveloped land in the County bordering the northeast quadrant of the City of Calgary. Progress continues with the County on the development of a conceptual scheme for this project, with first reading received in September 2022. Genesis is working with the County, City of Calgary and the Province to finalize plans for an interchange at Stoney and Airport Trails to enhance transportation access to these lands and a plan to address other intermunicipal services.

2) Development and Sale of Land Parcels

Genesis continues to develop and implement plans for each of its core land holdings, with the objective of maximizing the risk adjusted net present value of the land and to sell or develop the land at the most opportune time. Please see information provided under the heading "*Real Estate Held for Development and Sale"* in this MD&A.

Genesis periodically sells land parcels, generally for multi-family or commercial use, that have been developed within its communities. Non-core land positions are also sold to third parties from time to time in the ordinary course of Genesis' business.

During 2022, Genesis completed the sales of four development land parcels in the City of Calgary; a 2.65-acre parcel for cash consideration of $3,192, a 2.42-acre for cash consideration of $3,146, a 3.68-acre parcel for cash consideration of $3,864, and closed the sale of a 3.32-acre parcel of development land in the City of Airdrie for cash consideration of $2,200.

In addition, Genesis sold a 3.22-acre multi-family site, with a value of $3,589, to Sage Hill Estates Apartment LP ("SHEA LP") in return for 50% of the units in SHEA LP. SHEA LP plans to build a 300-unit rental apartment complex on this land which is a new growth initiative by Genesis.

3) Servicing Additional Phases

Genesis commenced servicing of new phases in 2022:

- Bayside: The servicing of Bayside phase 14 in Airdrie will add 108 single-family lots and a 1.3-acre park. Single-family lots became available to builders in Q3 2022 and are expected to be fully serviced in 2023. Construction of a vehicle bridge to increase the connectivity of the community has been completed. GBG and a third party are the home builders in this phase;
- Bayview: Servicing of two phases - Bayview phase 4 in Airdrie will add 120 single-family lots and a 3.6-acre multi-family parcel. Single-family lots became available to builders in Q3 2022 and are expected to be fully serviced in 2023. GBG and a third party are the home builders in this phase. In addition, Bayview phase 6 is under construction and will add 224 lots which will be available to builders in the fall of 2023 and fully serviced in 2024. GBG and two third parties will be the home builders in this phase; and
- Sage Hill: This well-located northwest Calgary community is considered an "infill development". Servicing of the final phase of this 51-acre development commenced in 2022. This phase will provide 60 lots and a 2.9-acre multi-family parcel. Single-family lots became available to builders in Q3 2022 and are expected to be fully serviced in 2023. GBG and a third party are the home builders in this phase.

4) Investing in Additional Lands

Genesis entered into a binding agreement to acquire approximately 157 acres of future residential development land (Huxley) in the Belvedere ASP on the east side of the City of Calgary in Q1 2021. A non-refundable deposit of $2,186 was paid in February 2021. Genesis closed the transaction on April 4, 2022 and the balance of $26,964 was paid to the seller. The land is not subject to a GMO and Genesis is in the process of obtaining final land use and outline plan approvals from the City of Calgary. The Huxley land is expected to yield about 1,400 housing units including single-family and townhome units once fully developed. In addition, during Q4 2021, Genesis entered into a binding agreement to acquire approximately 3.56 acres of land adjacent to this land for $663. Genesis paid a deposit of $132, with the balance of $531 to be paid on closing, which is expected to be in the second quarter of 2023.

In Q2 2022, The Corporation entered into an agreement to acquire approximately 160 acres of future residential development land in the southeast sector of the City of Calgary for $30,000. The Corporation has paid a non-refundable deposit of $3,300 with the balance due on closing which is scheduled for January 31, 2025.

During Q3 2022, Genesis paid $6,699 to Genesis Limited Partnership #4 and GLP5 NE Calgary Development Inc. (controlled entities within the consolidated entity) to acquire their 49% undivided interest in 456 acres of land in North Conrich in Rocky View County (adjacent to the eastern boundary of Calgary). This transaction brings Genesis interest in these lands to 100%. Refer to heading "*Related Party Transactions*" in this MD&A for additional information.

Building and selling homes in communities developed by other parties is one of the strategies being implemented to drive growth and profitability in Genesis' home building division, GBG. GBG is now active in 10 third party communities and to date has contracted a total of 477 lots in these communities.

5) Adding Select Third Party Builders in Genesis Communities

To diversify offerings and increase velocity of sales within its residential communities, Genesis holds regular discussions with reputable third party builders interested in acquiring lots in future phases in Genesis' communities. Genesis works with 3 third party builders of which 2 are currently building in communities for which Genesis is the land developer.

6) Increasing the Velocity of Homes Sold by GBG

As of December 31, 2022, Genesis had 205 outstanding new home orders, an increase of 45% compared to 141 as at December 31, 2021. In Q4, GBG entered into 31 new home sales contracts, a decrease of 62% from 81 new home sales contracts in Q4 2021. In YE 2022, GBG entered into 233 new home sales contracts, a decrease of 6% from 249 new home sales contracts in YE 2021. To increase the velocity of homes sold, adapt to the current market conditions, and manage supply chain and cost increases, Genesis:

- acquires lots in several communities from third party developers;
- adjusts pricing on select models to meet market conditions;
- pursues construction cost efficiencies and actively manages supply chain challenges; and
- continues to monitor and control overhead costs.

Since 2020, GBG has contracted to acquire 477 lots in the CMA, for total consideration of $72,577 from third party developers in the communities of Alpine Park, Clearwater, Fireside, Homestead, Silverton and Vermilion Hill. As of December 31, 2022, 81 homes built on these lots have been sold to date and a further 68 new homes are under contract in these communities.

7) Liquidity and Return of Capital

Liquidity: As of December 31, 2022, Genesis had $36,598 of cash and cash equivalents on hand (YE 2021 - $63,975), loan and credit facilities of $65,057 (YE 2021 - $32,668), real estate assets of $265,683 (YE 2021 - $218,855) and total assets of $364,140 (YE 2021 - $324,929). Cash and cash equivalents at December 31, 2021 included the proceeds of the December 2021 equity issue of approximately $30,000. The ratio of loan and credit facilities to total assets was 18% as at December 31, 2022 compared to 10% at December 31, 2021.

Return of Capital to Shareholders: In 2022 Genesis declared and paid dividends of $0.15 per share ($8,530), being $0.075 in Q3 and $0.075 in Q4. Since 2014, when Genesis paid its first dividend, it has returned an aggregate of $66,668 to shareholders by way of dividends and bought back nearly 3.1 million common shares for an aggregate cost of $8,787.

Outlook

Supported by a solid financial position, a backlog of new-home orders at December 31, 2022 and the relative strength of the Calgary economy, Genesis continues to consider growth opportunities, while carefully monitoring new home orders and the Calgary housing market. Housing price increases in recent years, rapidly increasing interest rates, inflationary pressures, tight labour markets and continuing supply chain constraints are impacting new home sales, home affordability and our ability to build new homes. These and other factors will likely negatively impact Genesis new home orders in 2023, although the supply of homes for sale in the Calgary market remains tight at 1.87 months, the lowest level reported for December in over a decade. In its December 2022 report, the Calgary Real Estate Board (CREB) noted that further interest rate increases are expected to slow sales activity, with some slippage in price growth possible in 2023. CREB is forecasting a reduction in home sales in 2023, to 25,920, down from a record high in 2022 of 27,672. RBC forecasts that Alberta will avoid a recession in 2023, and forecasts 1.9% growth in 2023, a marked deceleration from the 4.9% rate projected for 2022. Given the changing market conditions and general economic uncertainty, Genesis remains cautious in planning and executing its strategic and business plans.

Land Development

	Three months ended December 31,			Year ended December 31,		
	2022	2021	% change	2022	2021	% change
Key Financial Data						
Residential lot revenues [1]	**18,015**	8,423	113.9%	**40,639**	41,095	(1.1%)
Development land revenues	**6,338**	-	N/R [3]	**15,991**	5,870	172.4%
Direct cost of sales	**(20,466)**	(4,883)	N/R [3]	**(47,489)**	(31,616)	50.2%
Gross margin before reversal of write-down [2]	**3,887**	3,540	9.8%	**9,141**	15,349	(40.4%)
Gross margin before reversal of write-down (%) [2]	**16.0%**	42.0%	(61.9%)	**16.1%**	32.7%	(50.8%)
Reversal of write-down of real estate held for development and sale	**1,086**	3,265	(66.7%)	**1,086**	4,268	(74.6%)
Gross margin	**4,973**	6,805	(26.9%)	**10,227**	19,617	(47.9%)
Gain in investments in land development entities	**560**	562	(0.4%)	**560**	562	(0.4%)
Other expenses	**(2,726)**	(2,458)	10.9%	**(9,061)**	(8,138)	11.3%
Earnings before income taxes	**2,807**	4,909	(42.8%)	**1,726**	12,041	(85.7%)
Key Operating Data						
Residential lots sold to third parties	**84**	2	N/R [3]	**144**	60	140.0%
Residential lots sold through GBG - home building	**22**	47	(53.2%)	**92**	187	(50.8%)
Total residential lots sold	**106**	49	116.3%	**236**	247	(4.5%)
Average revenue per lot sold	**170**	172	(1.2%)	**172**	166	3.6%

(1) Includes residential lot sales to third parties, residential lot sales to GBG and other revenues
(2) Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
(3) Not relevant due to the size of the change

Gross margin by source of revenue

	Three months ended December 31,			Year ended December 31,		
	2022	2021	% change	2022	2021	% change
Residential lots						
Residential lot revenues [1]	**18,015**	8,423	113.9%	**40,639**	41,095	(1.1%)
Direct cost of sales	**(14,207)**	(4,883)	N/R [2]	**(32,526)**	(26,397)	23.2%
Gross margin	**3,808**	3,540	7.6%	**8,113**	14,698	(44.8%)
Gross margin (%)	**21.1%**	42.0%	(49.8%)	**20.0%**	35.8%	(44.1%)

(1) Includes residential lot sales to third parties, residential lot sales to GBG and other revenues
(2) Not relevant due to the size of the change

	Three months ended December 31,			Year ended December 31,		
	2022	**2021**	**% change**	**2022**	**2021**	**% change**
Development land						
Development land revenues	**6,338**	-	N/R [2]	**15,991**	5,870	172.4%
Direct cost of sales	**(6,259)**	-	N/R [2]	**(14,963)**	(5,219)	N/R [2]
Gross margin before reversal of write-down [1]	**79**	-	N/R [2]	**1,028**	651	57.9%
Gross margin before reversal of write-down (%) [1]	**1.2%**	-	N/R [2]	**6.4%**	11.1%	(42.3%)
Reversal of write-down of real estate held for development and sale	**1,086**	3,265	(66.7%)	**1,086**	4,268	(74.6%)
Gross margin	**1,165**	3,265	(64.3%)	**2,114**	4,919	(57.0%)

(1) Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
(2) Not relevant due to the size of the change

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading "*Factors Affecting Results of Operations"* in this MD&A.

Revenues and unit volumes

Total residential lot sales revenues in YE 2022 were $40,639 (236 lots) down from $41,095 (247 lots) in YE 2021. In YE 2022, 144 lots were sold to third party builders compared to 60 lots sold to third party builders in YE 2021. In YE 2022, GBG sold 92 homes on Genesis lots, down 51% from 187 homes sold on Genesis lots in YE 2021. Residential lot sales to third party builders occur periodically, usually when newly developed phases first become available for sale.

Total residential lot sales revenues in Q4 2022 were $18,015 (106 lots) up from $8,423 (49 lots) in Q4 2021. In Q4 2022, 84 lots were sold to third party builders compared to two lots sold to third party builders in Q4 2021. In Q4 2022, GBG also sold 22 homes on Genesis lots, down 53% from 47 homes sold on Genesis lots in Q4 2021.

Five parcels of development land were sold in YE 2022 for $15,991 while four parcels of development land were sold in YE 2021 for $5,870 (including one owned by a limited partnership for $925). In Q4 2022, two development land parcels were sold for $6,338 while there were no development land parcel sales in Q4 2021. Development land sales occur periodically and comprise sales of commercial, multi-family and other lands that Genesis does not intend to build on through GBG.

Gross margin

Residential lots had a gross margin of 20% in YE 2022 compared to 36% in YE 2021. Residential lots had a gross margin of 21% in Q4 2022 compared to 42% in Q4 2021. Gross margins were lower in both Q4 2022 and YE 2022 compared to the same periods in 2021, as the sales in 2022 included 81 lots (2021 - 35 lots) in the community of Sage Hill which have no margin due to write-downs previously taken. Residential lot and development land margins can vary significantly as described in the "*Factors Affecting Results of Operations"* in this MD&A. Gross margin before reversal of write-down is a non-GAAP financial measure. Refer to heading "*Non-GAAP Measures*" in this MD&A.

Reversal of write-down of real estate held for development and sale

During 2022, Genesis recorded a net reversal of write-down of $1,086 related to write-downs previously taken on real estate held for development and sale. The reversal of the write-down was taken to reflect the estimated returns realizable on completion of development and sale of these lands (2021 - $4,268).

LOCATION OF GENESIS' LAND DEVELOPMENT PROJECTS

Gain in investments in land development entities

The fair value of investments in land development entities are based on the market value approach method which were obtained from external third-party appraisals. This method uses prices and other relevant information that have been generated by market transactions involving identical or comparable assets. The Corporation recorded $560 as a gain in investment in land development entities during 2022 (2021 - $562).

Other expenses

	Three months ended December 31,			Year ended December 31,		
	2022	**2021**	**% change**	**2022**	**2021**	**% change**
Other expenses						
General and administrative expense	**(1,788)**	(1,754)	1.9%	**(6,435)**	(5,541)	16.1%
Selling and marketing expense	**(567)**	(496)	14.3%	**(1,756)**	(1,753)	0.2%
Finance income	**352**	81	N/R [1]	**488**	266	83.5%
Finance expense	**(723)**	(289)	N/R [1]	**(1,358)**	(1,110)	22.3%
Total	**(2,726)**	(2,458)	10.9%	**(9,061)**	(8,138)	11.3%

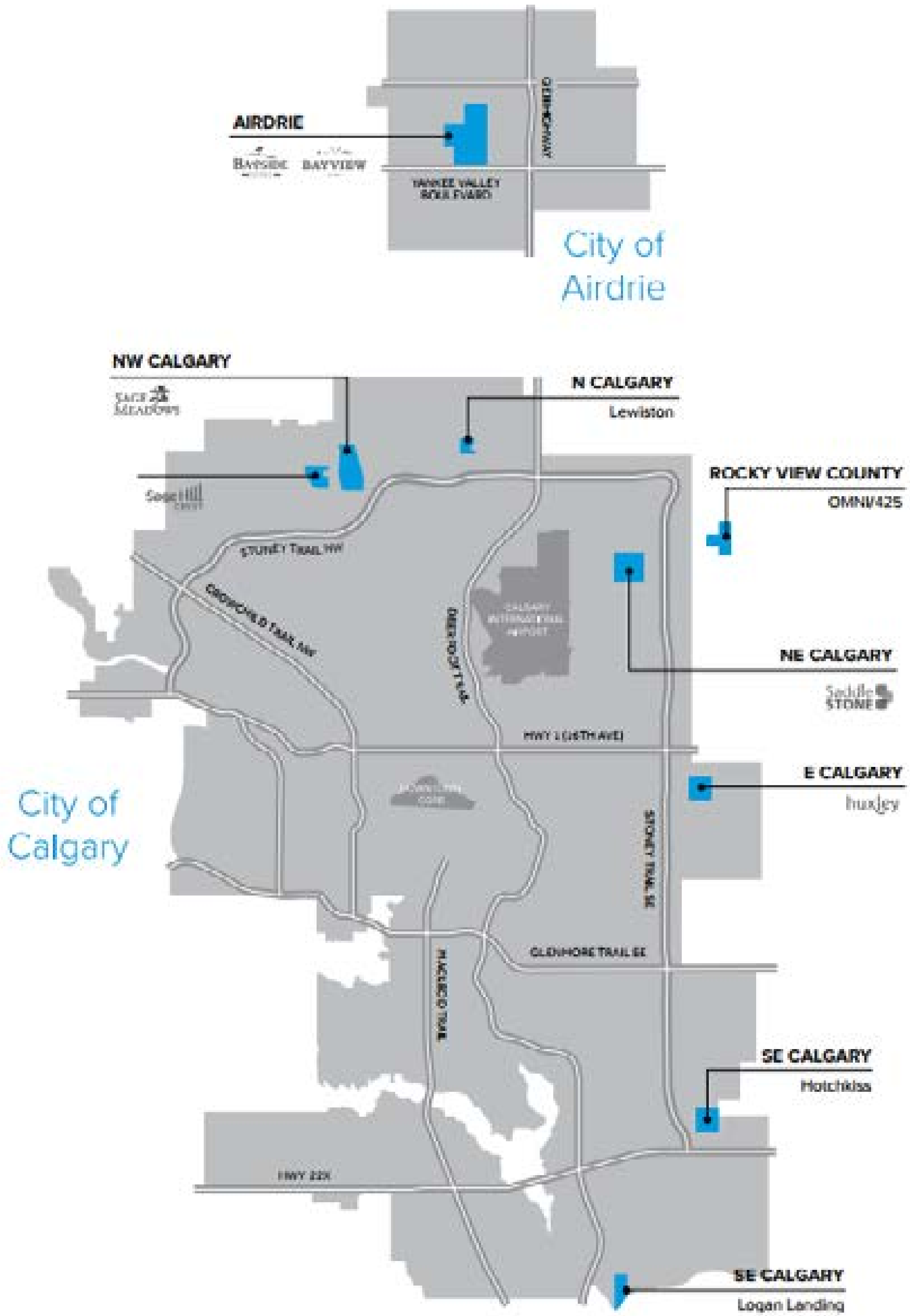
[1] Not relevant due to the size of the change

The components of other expenses and the changes are shown in the table above.

In YE 2022, other expenses totaled $9,061 or 11% higher than $8,138 incurred in YE 2021. Other expenses were higher in YE 2022 due to higher general and administrative expense, specifically cash and share-based compensation expenses. General and administrative expenses in YE 2022 included higher share-based compensation expenses of $613 compared to $352 in YE 2021 resulting from an increase in DSUs issued and the associated vesting. Higher compensation expenses in 2022 also resulted from higher headcount in 2022 compared to 2021.

In Q4 2022, other expenses totaled $2,726 or 11% higher than $2,458 incurred in Q4 2021. Other expenses were higher in Q4 2022 due to higher finance expense generated from higher interest rates and higher average loan balances compared to Q4 2021.

LOCATION OF GENESIS' LAND DEVELOPMENT PROJECTS



Home Building – Genesis Builders Group Inc. (GBG)

The home building business of Genesis is operated through its wholly-owned subsidiary, GBG.

	Three months ended December 31,			Year ended December 31,		
	2022	**2021**	**% change**	**2022**	**2021**	**% change**
Key Financial Data						
Revenues [(1)]	**33,799**	26,024	29.9%	**100,680**	92,416	8.9%
Direct cost of sales	**(29,016)**	(22,627)	28.2%	**(83,749)**	(80,190)	4.4%
Gross margin	**4,783**	3,397	40.8%	**16,931**	12,226	38.5%
Gross margin (%)	**14.2%**	13.1%	8.4%	**16.8%**	13.2%	27.3%
Other expenses	**(3,732)**	(2,769)	34.8%	**(12,640)**	(9,912)	27.5%
Earnings before income taxes	**1,051**	628	67.4%	**4,291**	2,314	85.4%
Key Operating Data						
Homes sold (units)	**57**	51	11.8%	**169**	191	(11.5%)
Average revenue per home sold	**593**	510	16.3%	**596**	484	23.1%
New home orders (units)	**31**	81	(61.7%)	**233**	249	(6.4%)
Outstanding new home orders at period end (units)				**205**	141	45.4%

(1) Revenues include residential home sales and other revenue

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading "*Factors Affecting Results of Operations"* in this MD&A.

Revenues and unit volumes

Revenues for single-family homes and townhouses were $100,680 (169 units) in YE 2022, 9% higher than YE 2021 revenues of $92,416 (191 units). In addition, 233 homes were contracted for sale in YE 2022, a decrease of 6%, as compared to 249 in YE 2021, resulting in 205 outstanding new home orders at the end of 2022 as compared to 141 outstanding new home orders at the end of 2021.

Revenues for single-family homes and townhouses were $33,799 (57 units) in Q4 2022, 30% higher than Q4 2021 revenues of $26,024 (51 units). In addition, 31 homes were contracted for sale in Q4 2022, a decrease of 62%, as compared to 81 in Q4 2021.

Homes sold in YE 2022 had an average price of $596 per home compared to $484 in YE 2021. Homes sold in Q4 2022 had an average price of $593 per home compared to $510 in Q4 2021. Fluctuations in the average revenue per home sold are due to differences in product mix, community, and market conditions. During 2022 and 2021, GBG's single-family homes product ranged in price from $315-$1,900 depending on the location and the model being offered. Similarly, GBG's townhouse product ranged in price from $165-$355 depending on the location and the models being offered. In Q4 2022, 56 single-family homes and one townhouse were sold compared to 42 single-family homes and 9 townhouses in Q4 2021. In YE 2022, 162 single-family homes and 7 townhouses were sold compared to 150 single-family homes and 41 townhouses in YE 2021.

92 of the 169 homes sold in YE 2022 were built on residential lots supplied by Genesis, with lot revenues of $16,953 while 187 of the 191 homes sold in YE 2021 were built on residential lots or parcels supplied by Genesis, with lot revenues of $29,620. In Q4 2022, 22 of the 57 homes sold were built on residential lots supplied by Genesis, with lot revenues of $3,995 while 47 of the 51 homes sold in Q4 2021 were built on residential lots or parcels supplied by Genesis, with lot revenues of $7,916.

Since 2020, GBG has contracted to acquire 477 lots in the CMA from third party developers in the communities of Alpine Park, Clearwater, Fireside, Homestead, Silverton and Vermilion Hill. As of December 31, 2022, 81 homes built on these lots have been sold to date and a further 68 new homes are under contract in these communities. Genesis views this as one of its key strategies to drive growth in GBG and believes this strategy has been very successful.

GBG builds single-family homes either after receiving a firm sale contract (a "pre-construction home") or on a quick possession ("spec") basis and builds townhouses generally on a quick possession basis. Historically, the delivery time of a pre-construction home was determined at the time of sale and typically ranged between 6 to 10 months; in 2021 supply chain issues became a significant concern, with the supply of some materials and products being unpredictable, and delivery timelines have increased to 10 to 12 months. Construction of quick possession homes is started before GBG receives a firm sale contract to ensure there is sufficient inventory for buyers seeking possession within a short period of time (often 30-90 days). Townhouses are multi-unit complexes for which GBG commences construction prior to selling all the units in any individual building. This provides construction efficiencies and requires GBG to build some townhouses on a spec basis and to hold them in inventory until sold. The timing of the sale of spec homes is unpredictable, with spec home buyers usually being time sensitive, wanting to take possession in a short time frame. Genesis closely monitors its home building work-in-progress to anticipate and react to market conditions in a timely manner. As at YE 2022, GBG had $48,506 of work in progress, of which approximately $1,378 was related to spec homes (YE 2021 - $28,870 and $2,602, respectively).

The following table shows the split between quick possession sales (spec homes that are contracted and delivered within 90 days) and pre-construction homes (homes built after receiving a firm sale contract). The timeline for pre-construction homes ranges from around 8 to 10 months and can exceed this depending on the desired possession date.

	Three months ended December 31,			Year ended December 31,		
	2022	**2021**	**% change**	**2022**	**2021**	**% change**
Quick possession sales (units)	**7**	7	0.0%	**20**	66	(69.7%)
Pre-construction home sales (units)	**50**	44	13.6%	**149**	125	19.2%
Total home sales (units)	**57**	51	11.8%	**169**	191	(11.5%)

Gross margin

Genesis realized gross margin on home sales of 16.8% in YE 2022 as compared to 13.2% in YE 2021 and gross margin on home sales of 14.2% in Q4 2022 compared to 13.1% in Q4 2021. Fluctuations in gross margin are due to differences in product and community mix. Market conditions may also drive price adjustments which could impact gross margin. In YE 2022, 162 single-family homes and 7 townhouses were sold compared to 150 single-family homes and 41 townhouses in YE 2021. In Q4 2022, 56 single-family homes and one townhouse were sold compared to 42 single-family homes and 9 townhouses in Q4 2021.

Other expenses

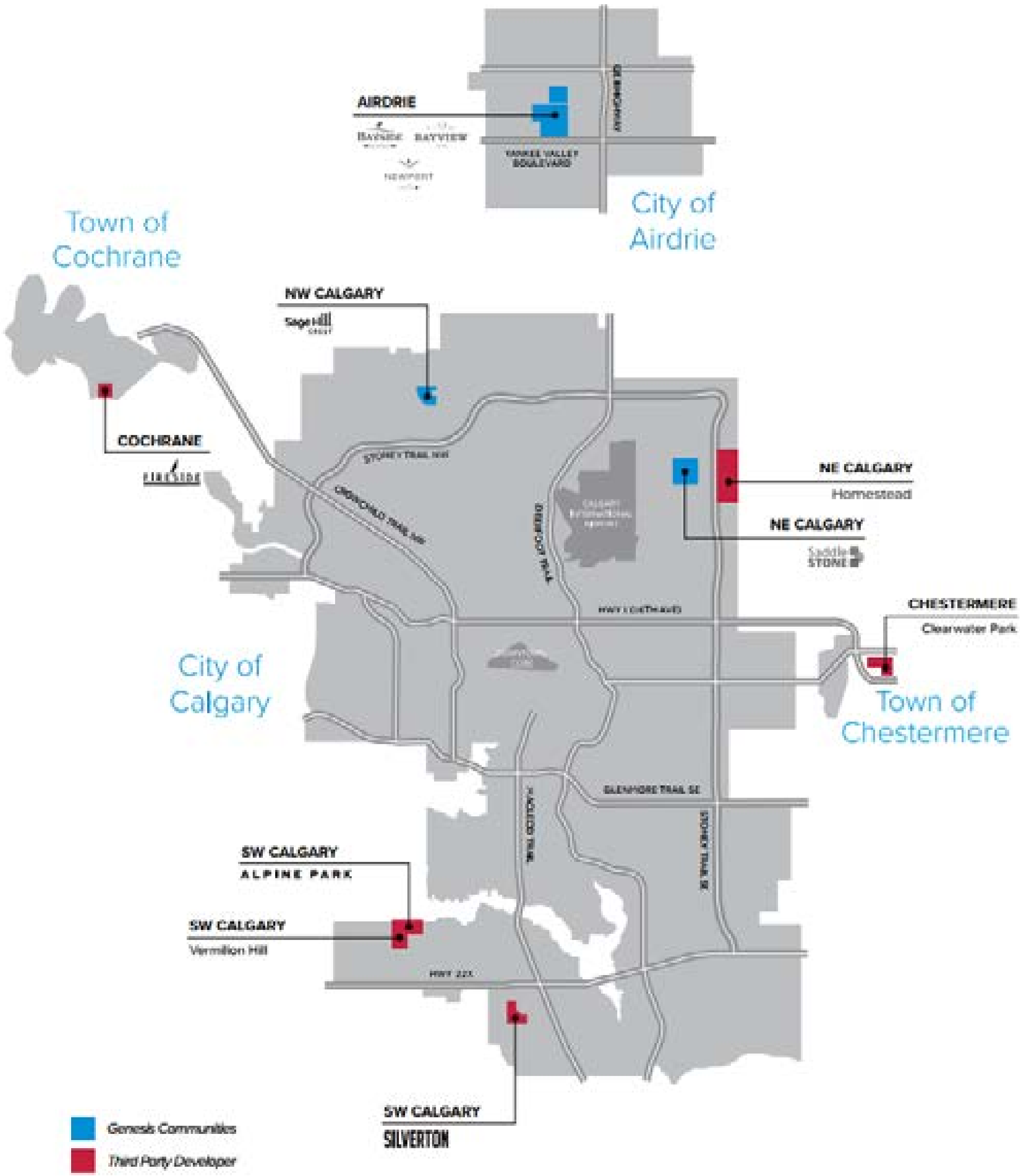
	Three months ended December 31,			Year ended December 31,		
	2022	**2021**	**% change**	**2022**	**2021**	**% change**
Other expenses						
General and administrative expense	**(2,338)**	(1,867)	25.2%	**(8,351)**	(6,484)	28.8%
Selling and marketing expense	**(1,248)**	(885)	41.0%	**(4,059)**	(3,390)	19.7%
Finance income	**1**	16	(93.8%)	**24**	72	(66.7%)
Finance expense	**(147)**	(33)	N/R [1]	**(254)**	(110)	N/R [1]
Total	**(3,732)**	(2,769)	34.8%	**(12,640)**	(9,912)	27.5%

[1] Not relevant due to the size of the change

The components of other expenses and the changes are shown in the table above.

In YE 2022, other expenses were $12,640, 28% higher than $9,912 incurred in YE 2021. In Q4 2022, other expenses totaled $3,732, 35% higher than $2,769 incurred in Q4 2021. Other expenses were higher in both Q4 and YTD 2022 due to higher selling and marketing expenses and general and administrative expense, specifically compensation expense. Higher compensation expenses in 2022 resulted from higher headcount supporting the growth strategy, in 2022 compared to 2021. General and administrative expenses in YE 2022 included higher share-based compensation expenses of $408 compared to $235 in YE 2021 resulting from the increase in DSUs issued and the associated vesting. Increase in selling and marketing expenses was primarily due to higher levels of activity in the home building business.

LOCATION OF GBG BUILDING COMMUNITIES



Real Estate Held for Development and Sale

	December 31,		
	2022	**2021**	**% change**
Real estate held for development and sale	**270,214**	227,984	18.5%
Provision for write-downs	**(4,531)**	(9,129)	(50.4%)
Net book value	**265,683**	218,855	21.4%

Refer to note 5 in the consolidated financial statements for the years ended December 31, 2022 and 2021 which details the components of the changes in the gross book value and net book value of real estate held for development and sale.

Real estate held for development and sale increases as a result of acquisitions and development activities and declines as a result of sales of residential lots, homes and development land parcels. Real estate held for development and sale increased by $46,828 as at YE 2022 compared to YE 2021 mainly due to: (i) the acquisition of 157 acres of future residential development land (Huxley) in the Belvedere ASP in the City of Calgary for $29,150; (ii) increase in residential lots from third party developers for $10,881; (iii) active development and construction activities; and (iv) the net reversal of $1,068 of write-downs previously taken on real estate held for development and sale.

The following table presents Genesis' real estate held for development and sale at net book value (that is net of provisions for write-downs) as at December 31, 2022:

	Net Book Value		
Real Estate Held for Development and Sale	**Lots, multi-family & commercial parcels**	**Land held for development [1]**	**Total**
Community			
Airdrie - Bayside, Bayview, Canals	16,093	32,578	48,671
Calgary NW - Sage Meadows	3,786	-	3,786
Calgary NW - Sage Hill	22,580	9,142	31,722
Calgary NE - Saddlestone	315	-	315
Calgary N - Lewiston	-	42,002	42,002
Calgary SE - Logan Landing	-	46,671	46,671
Calgary E - Huxley	-	30,219	30,219
Rocky View County - North Conrich	-	6,794	6,794
Rocky View County - OMNI	-	2,983	2,983
Sub-total	42,774	170,389	**213,163**
Other lands [2] - non-core	34	1,841	**1,875**
Total land development	42,808	172,230	**215,038**
Home building construction work-in-progress			24,802
Third party lots			23,704
Total home building			**48,506**
Total land development and home building			**263,544**
Limited Partnerships [3]			2,139
Total real estate held for development and sale			**265,683**

[1] Land held for development comprises lands not yet subdivided into single-family lots or parcels
[2] Other lands are non-core and available for sale
[3] Undivided interest of two limited partnerships in the North Conrich "OMNI" project. Net of intra-segment eliminations of $970

The following table presents the breakdown of Genesis' serviced single-family lots, multi-family and commercial parcels shown above, by community as at December 31, 2022:

Serviced Lots, Multi-family and Commercial Parcels, by Community	**Net Book Value**	**Single-family lots**	**Townhouse units**	**Townhouse/ multi-family parcels**	**Commercial parcels**
Airdrie - Bayside, Bayview, Canals	16,093	127	34	1	-
Calgary NW - Sage Meadows	3,786	-	-	1	-
Calgary NW - Sage Hill	22,580	76	-	1	2
Calgary NE - Saddlestone	315	5	-	-	-
	42,774	**208**	**34**	**3**	**2**
Other lots - non-core	34	13	-	-	-
Total	**42,808**	**221**	**34**	**3**	**2**

The following table presents the estimated equivalent, by community of single-family lots and multi-family and commercial acres of Genesis' land held for development (shown previously) as at December 31, 2022, based on the Corporation's plans for the development of its lands. Refer to the section in this MD&A entitled "*Obtaining Additional Zoning and Servicing Entitlements"* for the status of Lewiston, Logan Landing, Huxley (Belvedere) and North Conrich. The timelines discussed are management's best estimates at this time, given the uncertainties related to the regulatory approval process and market conditions.

			Estimated Equivalent if/when Developed		
Land Held for Development, by Community	**Net Book Value**	**Land** (acres) [(1)]	**Single-family** (lots)	**Multi-family** (acres)	**Commercial** (acres)
Airdrie - Bayside, Bayview	32,578	133	910	5	2
Calgary NW - Sage Hill	9,142	10	60	3	-
Calgary N - Lewiston	42,002	134	915	3	4
Calgary SE - Logan Landing	46,671	354	1,587	7	3
Calgary E - Huxley	30,219	157	1,433	-	-
Rocky View County - North Conrich	6,794	425	-	-	-
Rocky View County - OMNI	2,983	110	-	-	-
	170,389	1,323	4,905	18	9
Other lands - non-core	1,841	300	-	-	-
Total	**172,230**	**1,623**	**4,905**	**18**	**9**

[(1)] *Land not yet subdivided into single-family and other lots or parcels*

Amounts Receivable

	December 31,		
	2022	**2021**	**% change**
Amounts receivable	**22,165**	13,632	62.6%

Genesis generally receives a minimum 15% non-refundable deposit at the time of entering into a sale agreement for residential lots with a third party builder. Title to a lot or home that is contracted for sale is not transferred by Genesis to the builder or purchaser until full payment is received, thus mitigating credit risk. There are no amounts receivable past due.

The increase of $8,533 in amounts receivable was mainly due to higher lot sales to third party builders. As at YE 2022, Genesis had $21,207 in amounts receivable related to the sale of 155 lots to third party builders compared to $12,135 (related to 77 lots) in amounts receivable as at YE 2021.

Individual balances due from third party builders at YE 2022 that were 10% or more of total amounts receivable were $21,207 from two third party builders (YE 2021 - $12,135 from three third party builders).

Cash Flows (used in) from Operating Activities

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading "*Factors Affecting Results of Operations"* in this MD&A.

	Three months ended December 31,		Year ended December 31,	
	2022	**2021**	**2022**	**2021**
Cash flows (used in) from operating activities	**(1,686)**	(6,326)	**(43,756)**	2,388
Cash flows (used in) from operating activities per share - basic and diluted	**(0.03)**	(0.15)	**(0.77)**	0.05

The changes in cash flows from operating activities between Q4 2022 and Q4 2021 consist of the following:

	Three months ended December 31,		
	2022	**2021**	**$ change**
Cash inflows from sale of residential homes by GBG	**33,425**	26,776	6,649
Cash inflows from sale of residential lots	**3,135**	3,220	(85)
Cash inflows from sale of development land	**6,338**	2,719	3,619
Cash outflows for home building activity	**(26,032)**	(16,675)	(9,357)
Cash outflows for land servicing	**(8,215)**	(17,277)	9,062
Cash outflows for land and lot acquisitions	**(3,394)**	(1,165)	(2,229)
Cash outflows paid to suppliers and employees	**(6,787)**	(4,434)	(2,353)
Other cash inflows	**388**	510	(122)
Income tax payments	**(544)**	-	(544)
Total	**(1,686)**	(6,326)	4,640

The changes in cash flows from operating activities between YE 2022 and YE 2021 consist of the following:

	Year ended December 31,		
	2022	**2021**	**$ change**
Cash inflows from sale of residential homes by GBG	**104,049**	95,480	8,569
Cash inflows from sale of residential lots	**16,742**	13,981	2,761
Cash inflows from sale of development land	**15,991**	8,589	7,402
Cash outflows for home building activity	**(84,478)**	(57,323)	(27,155)
Cash outflows for land servicing	**(33,820)**	(39,868)	6,048
Cash outflows for land and lot acquisitions	**(39,245)**	(3,993)	(35,252)
Cash outflows paid to suppliers and employees	**(19,572)**	(16,053)	(3,519)
Other cash inflows	**823**	1,115	(292)
Income tax (payments) refunds	**(4,246)**	460	(4,706)
Total	**(43,756)**	2,388	(46,144)

Cash inflows from the sale of residential homes by GBG is related to the volume of homes sold. Genesis sells residential lots to third party builders and typically receives 15% of the purchase price as a non-refundable deposit from the builder. On receipt of a minimum 15% non-refundable deposit after agreed to services pertaining to the property have been substantially performed, Genesis recognizes all of the sales revenue. The balance of the purchase price is generally received in cash at the time of closing of the sale by the third party builder to a home buyer, which can be many months later, resulting in a timing difference between sales revenue recognition and the actual receipt of cash.

The year over year change in cash flows from operating activities is mainly due to higher cash outflows for land and lot acquisitions, home building activities and income tax payments. These were partially offset by higher cash inflows from residential lot, residential homes and development land sales. Cash outflows for lots and land acquisitions include the $26,964 payment in respect of the acquisition of approximately 157 acres of future residential development land (Huxley) in the Belvedere ASP in the City of Calgary as well as the payment of a $3,300 non-refundable deposit for the acquisition of approximately 160 acres of future residential development land in southeast Calgary. Higher outflows on home building activities reflect the large number of outstanding new home orders for which homes are being built. In addition, higher income tax payments were made in YE 2022 compared to YE 2021.

LIABILITIES AND SHAREHOLDERS' EQUITY

The following table presents Genesis' liabilities and equity at YE 2022 and YE 2021:

	December 31,		**December 31,**	
	2022	**% of total**	**2021**	**% of total**
Loan and credit facilities	**65,057**	**18%**	32,668	10%
Customer deposits	**15,753**	**4%**	9,002	3%
Accounts payable and accrued liabilities	**12,470**	**3%**	16,808	5%
Accounts payable related to residential lot purchases	**17,944**	**5%**	9,600	3%
Lease liabilities	**841**	**0%**	842	0%
Provision for future development costs	**24,034**	**7%**	17,979	6%
Income tax payable	**704**	**0%**	2,092	1%
Total liabilities	**136,803**	**37%**	88,991	28%
Non-controlling interest	**2,705**	**1%**	7,314	2%
Shareholders' equity	**224,632**	**62%**	228,624	70%
Total liabilities and equity	**364,140**	**100%**	324,929	100%

The ratio of total liabilities to equity is as follows:

	December 31, 2022	**December 31, 2021**
Total liabilities	**136,803**	88,991
Total equity	**227,337**	235,938
Total liabilities to equity (1)	**60%**	38%

(1) Calculated as total liabilities divided by total equity

Loan and Credit Facilities

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Corporate revolving line of credit	**25,626**	28,688	11,538	12,219	16,237
Demand land project servicing loans	**12,522**	8,450	4,186	3,997	5,794
Demand operating line – LLLP	**20,198**	-	-	-	-
Demand operating line for single-family homes	**7,364**	4,163	3,014	27	1,917
Vendor-take-back mortgage payable - Lewiston	**-**	-	-	-	9,312
	65,710	41,301	18,738	16,243	33,260
Unamortized deferred fees on loan and credit facilities	**(653)**	(639)	(724)	(810)	(592)
Balance, end of period	**65,057**	40,662	18,014	15,433	32,668

The continuity of Genesis' loan and credit facilities, excluding deferred fees, is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Balance, beginning of year	**33,260**	21,471
Advances	**84,151**	61,517
Repayments	**(51,701)**	(49,728)
Balance, end of year	**65,710**	33,260

Loan and credit facilities are used primarily to finance the costs of developing land, building homes and for land purchases. Genesis accesses these facilities, cash from operations and cash on hand in a balanced manner to finance its operations.

Genesis has various covenants in place with its lenders with respect to its loan and credit facilities. Such covenants include credit usage restrictions; cancellation, prepayment, confidentiality and cross default clauses; sales coverage requirements; conditions precedent for funding; and other terms such as, but not limited to, maintaining contracted lot prices, restrictions on encumbrances, liens and charges, material changes to project plans, and material changes in the Corporation's ownership structure.

Genesis and its consolidated entities were in compliance with all lender covenants for all periods in this MD&A.

Corporate revolving line of credit

Genesis has a corporate revolving line of credit with a major Canadian financial institution at an interest rate per annum of prime +1.90%. This is secured by specific dedicated lands and a general corporate charge on all assets of the Corporation. As at December 31, 2022, the amount drawn on this facility was $25,626 (YE 2021 - $16,237). In January 2023, the facility was extended and now matures on February 1, 2026.

Demand land project servicing loans

As at December 31, 2022, Genesis had land project servicing facilities with $12,522 drawn (YE 2021 - $5,794). Up to $14,555 is available to finance future development and servicing costs as land development activities progress. These facilities bear interest at prime +0.50% per annum and loan amounts are payable between May 12, 2024 and March 19, 2025.

Demand operating line for LLLP

During Q4 2022, LLLP put in place a demand operating credit facility of $21,500 with a major Canadian financial institution at an interest rate per annum of prime +0.50%. This facility is secured by specific dedicated land, and a corporate guarantee by Genesis and matures on October 27, 2025. As at December 31, 2022, the amount drawn on this facility was $20,198.

Demand operating line for single-family homes

GBG has a demand operating line of $10,000 bearing interest at prime +0.75% per annum. During Q1 2022, the facility increased from $6,500 to $10,000. As at December 31, 2022, the amount drawn on this facility was $7,364 (YE 2021 - $1,917).

Vendor-take-back mortgage payable

Genesis entered into an $18,624 vendor-take-back mortgage on the purchase of its north Calgary lands (Lewiston) in September 2019. The vendor-take-back mortgage was secured by the land, had an interest rate of 5% per annum and was repayable in two equal installments of $9,312 in May 2021 and 2022. The final installment of $9,312 was paid in January 2022.

Provision for Future Development Costs

When Genesis sells lots, land parcels and homes, it remains responsible for the payment of certain future development costs known as provision for future development costs ("FDC").

In Genesis' land development business, FDC represents the estimated remaining construction and other development costs related to each lot or parcel that has previously been sold by Genesis, if any. These estimated costs include the direct and indirect construction and other development costs, including municipal levies, expected to be incurred by Genesis during the remainder of the development process, net of expected future recoveries from third parties that are allocable to the relevant lot or parcel. FDC is reviewed periodically and, when a prior estimate is known to be different from the actual costs incurred or expected to be incurred, an adjustment is made to FDC and a corresponding adjustment is made to cost of sales and in some cases, to real estate held for development and sale.

FDC for GBG are estimated future costs relating to previously sold homes, which are primarily for seasonal and other work (such as finishing and landscaping) and estimated warranty expenses over the one-year warranty period.

FDC as at YE 2022 was $20,105 for the land division (YE 2021 - $15,096) and $3,929 for GBG (YE 2021 - $2,883). For additional details, please see information provided under the heading "*Critical Accounting Estimates"* in this MD&A.

LIQUIDITY AND CAPITAL RESOURCES

Genesis had cash and cash equivalents of $36,598 and loan and credit facilities of $65,057 at YE 2022 compared to $63,975 and $32,668 respectively at YE 2021, resulting in net debt (refer to heading "*Non-GAAP Measures"* in this MD&A) of $28,459 at YE 2022 compared to net cash (refer to heading "*Non-GAAP Measures"* in this MD&A) of $31,307 at YE 2021. Cash and cash equivalents at YE 2021 included $29,894 of net proceeds from the December 2021 rights offering. The reduction of cash and cash equivalents in YE 2022 is mainly due to the payment of $26,964 relating to the acquisition of the Huxley land, the payment of a deposit of $3,300 for the acquisition of approximately 160 acres of future residential development land in southeast Calgary and the payment of the final $9,312 installment relating to the VTB payable on the Lewiston lands. The components of loan and credit facilities are detailed below. For additional details, please see information provided under the heading "*Loan and Credit Facilities"* in this MD&A.

	December 31,		
	2022	**2021**	**% change**
Cash and cash equivalents	**36,598**	63,975	(42.8%)
Corporate revolving line of credit	**25,104**	15,723	59.7%
Demand land project servicing and home building loans	**19,815**	7,633	N/R (3)
Demand operating line - LLLP	**20,138**	-	N/R (3)
VTB payable	**-**	9,312	N/R (3)
Total loan and credit facilities	**65,057**	32,668	99.1%
Net (debt) cash (1) (2)	**(28,459)**	31,307	N/R (3)

(1) Calculated as the difference between cash and cash equivalents and total loan and credit facilities
(2) Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
(3) Not relevant due to size of the change

	December 31,		
Loan and credit facilities as a percentage of total assets [1]	**2022**	**2021**	**% change**
Corporate revolving line of credit	**6.9%**	4.8%	43.8%
Demand land project servicing and home building loans	**5.4%**	2.3%	N/R [3]
Demand operating line - LLLP	**5.5%**	-	N/R [3]
VTB payable	**-**	2.9%	N/R [3]
Loan and credit facilities to total assets	**17.8%**	10.0%	78.0%
Total liabilities to equity [2]	**60.2%**	37.7%	59.7%

[1] Calculated as each component of loan and credit facilities divided by total assets
[2] Calculated as total liabilities divided by total equity
[3] Not relevant due to size of the change

	December 31,		
Net (debt) cash [1] **as a percentage of total assets**	**2022**	**2021**	**% change**
Cash and cash equivalents	**36,598**	63,975	(42.8%)
Loan and credit facilities	**65,057**	32,668	99.1%
Net (debt) cash [1] [2]	**(28,459)**	31,307	N/R [4]
Net (debt) cash to total assets [3]	**(7.8%)**	9.6%	N/R [4]

[1] Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
[2] Calculated as the difference between cash and cash equivalents and total loan and credit facilities
[3] Calculated as net (debt) cash divided by total assets
[4] Not relevant due to size of the change

Based on the Corporation's operating history, relationships with lenders and committed sales contracts, management believes that Genesis has the ability to continue to renew or repay its financial obligations as they become due. The Corporation expects to generate sufficient liquidity from its cash flows from operating activities, undrawn credit facilities and cash on hand to meet its financial obligations (including the above liabilities) and commitments as they become due.

Finance Expense

	Three months ended December 31,			Year ended December 31,		
	2022	**2021**	**% change**	**2022**	**2021**	**% change**
Interest incurred	**(1,092)**	(200)	N/R [2]	**(1,989)**	(479)	N/R [2]
Interest relating to VTB [1]	**-**	(117)	N/R [2]	**(105)**	(658)	(84.0%)
Financing fees amortized	**(87)**	(74)	17.6%	**(340)**	(249)	36.5%
Interest and financing fees capitalized	**309**	69	N/R [2]	**822**	166	N/R [2]
	(870)	(322)	N/R [2]	**(1,612)**	(1,220)	32.1%

[1] VTB related to Lewiston lands. VTB was repaid in January 2022
[2] Not relevant due to size of the change

Finance expense was higher in Q4 2022 and YE 2022 due to higher interest rates and higher average loan balances. This was partially offset by (i) lower interest relating to the VTB which was repaid in January 2022; and (ii) higher interest and financing fees capitalized as a component of development activities in 2022.

The weighted average interest rate of loan agreements with various financial institutions was 7.52% (YE 2021 - 3.92%) based on December 31, 2022 balances.

Income Tax Payable

The continuity in income tax payable is as follows:

	December 31, 2022	December 31, 2021
Balance, beginning of year	**2,092**	(559)
Provision for current income tax	**2,858**	2,191
Net (payments) receipts	**(4,246)**	460
Balance, end of year	**704**	2,092

As at December 31, 2022, income tax payable is a result of tax on the current year's income, offset by installments payments made during the year.

Shareholders' Equity

As at March 2, 2023, the Corporation had 56,855,107 common shares issued and outstanding. The common shares of the Corporation are listed for trading on the Toronto Stock Exchange under the symbol "GDC".

The Corporation initiated an NCIB on December 14, 2022. The NCIB commenced on December 16, 2022 and will terminate on the earlier of: (i) December 15, 2023; and (ii) the date on which the maximum number of common shares are purchased pursuant to the bid. The Corporation may purchase for cancellation up to 2,843,166 common shares under the NCIB.

The prior NCIB, which expired on October 12, 2021, allowed the Corporation to purchase for cancellation up to 2,098,885 common shares.

The Corporation repurchased 9,863 common shares between January 1, 2023 and March 2, 2023 for cancellation. As of the date of this MD&A, there are 2,833,303 common shares remaining for purchase under the currently authorized NCIB.

No purchases were made under the NCIB during the years ended December 31, 2022 and 2021.

Contractual Obligations and Debt Repayment

Contractual obligations (excluding accounts payable, accrued liabilities, income tax payable, customer deposits and provision for future development costs) at YE 2022 were as follows:

	Loan and Credit Facilities (1)	Levies and Municipal Fees	Land and Lot Purchase Contracts	Lease Obligations (2)	Total
Current	7,364	7,475	7,932	547	**23,318**
January 2024 to December 2024	8,522	3,841	5,262	447	**18,072**
January 2025 to December 2025	24,198	800	44,231 (3)	421	**69,650**
January 2026 and thereafter	25,626 (4)	-	181	493	**26,300**
Total	65,710	12,116	57,606	1,908	**137,340**

(1) Excludes deferred fees on loan and credit facilities
(2) Includes variable operating costs
(3) Includes $26,700 related to the purchase of approximately 160 acres of future residential development land in the southeast sector of the City of Calgary. The purchase is scheduled to close on January 31, 2025
(4) Subsequent to December 31, 2022, Genesis' corporate revolving credit facility of up to $50,000 was extended and now matures on February 1, 2026.

Levies and municipal fees are related to municipal agreements signed by Genesis on commencement of development of certain real estate assets. Non-payment of levies and municipal fees could result in the municipalities drawing upon letters of credit or surety bonds, impact the development of the associated real estate assets and impact Genesis' status as a developer with the municipality. Genesis is current with regard to all levies and fees due to municipal authorities.

Land and lot purchase contracts of $57,606 include $30,375 relating to the purchase of lots as part of GBG's operations. These contracts generally require an initial deposit with the balance of the contract price being paid at agreed future dates.

Genesis has certain lease agreements that are entered in the normal course of operations. Genesis signed a sublease for a new head office in Calgary in April 2020 and moved in September 2020. The sublease expires in February 2027 and the total payments over the remaining term of the lease for base rent and parking is $741. In the event the office lease is terminated early, Genesis is liable to pay the landlord for the loss of its income for the unexpired portion of the lease, in addition to damages and other expenses incurred by the landlord, if any. Genesis also has other minor operating leases.

In 2012, Genesis entered into a memorandum of understanding with the Northeast Community Society to contribute $5,000 over 10 years for 15-year naming rights to the "Genesis Centre for Community Wellness", a recreation complex in northeast Calgary ($500 each year, ending in 2021). All ten installments totaling $5,000 were paid as at December 31, 2021. Over a period of 10 years, commencing in 2008 and ending in 2017, Genesis contributed $200 each year for a total of $2,000 for 40-year naming rights to "Genesis Place", a recreation complex in the City of Airdrie.

As a normal part of business, Genesis has entered into arrangements and incurred obligations that will impact future operations and liquidity, some of which are reflected as short-term liabilities.

Current Contractual Obligations and Commitments

	December 31, 2022	December 31, 2021
Loan and credit facilities, excluding deferred fees on loan and credit facilities	**7,364**	11,229
Accounts payable and accrued liabilities	**12,470**	16,808
Accounts payable related to residential lot purchases	**13,036**	7,789
Total short-term liabilities	**32,870**	35,826
Levies and municipal fees	**7,475**	4,942
Land and lot purchase contracts	**7,932**	33,563
Lease obligations	**547**	427
	48,824	74,758

At YE 2022, Genesis had obligations due within the next 12 months of $48,824 of which $7,364 related to loan and credit facilities. Repayment is either linked directly to the collection of lot receivables and sales proceeds or due at maturity. Management expects that Genesis will have sufficient liquidity from its cash flows from operating activities, supplemented by undrawn credit facilities and cash on hand, to meet its financial obligations (including the above liabilities) as they become due.

OFF BALANCE SHEET ARRANGEMENTS

Letters of Credit and Surety Bonds

Genesis has an ongoing requirement to provide irrevocable letters of credit and surety bonds to municipalities as part of the sub-division plan registration process. These letters of credit and surety bonds indemnify the municipalities by enabling them to draw upon them if Genesis does not perform its contractual obligations. At YE 2022, these amounted to approximately $5,414 (YE 2021 - $7,747).

Levies and Municipal Fees

For additional details, please see information provided under the heading "*Contractual Obligations and Debt Repayment*" in this MD&A.

Land and Lot Purchase Contracts

For additional details, please see information provided under the heading "*Contractual Obligations and Debt Repayment*" in this MD&A.

SELECTED ANNUAL INFORMATION

	2022	2021	2020	2019	2018
Total revenues	**140,357**	109,761	103,933	68,097	81,437
Gross margin before reversal of write-down (1)	**26,072**	27,575	27,352	22,220	22,233
Gross margin	**27,158**	31,843	15,715	21,420	20,413
Net earnings attributable to equity shareholders	**4,520**	10,877	199	1,701	4,124
Net earnings per share - basic and diluted	**0.08**	0.24	0.00	0.04	0.09
Total assets	**364,140**	324,929	266,494	296,268	278,156
Loans and credit facilities	**65,057**	32,668	21,470	51,546	31,696
Cash dividends per share	**0.15**	0.14	-	-	0.23

(1)) Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A

	2022	2021	2020	2019	2018
Return on shareholders' equity ("ROE") (1)	**2.0%**	5.2%	0.1%	0.9%	2.1%
Average shareholders' equity (2)	**226,628**	208,150	190,817	192,964	196,684

(1) Calculated as Net earnings attributable to equity shareholders divided by average Shareholders' equity
(2) Calculated as the sum of Shareholders' equity per the financial statements at the beginning and end of each year divided by two

ROE is calculated as net earnings attributable to equity shareholders divided by average shareholders' equity. The many factors that affect net earnings have been explained throughout this MD&A. In addition, shareholders' equity was affected by dividends and the repurchase and cancellation of shares under Genesis' NCIB. For additional details on dividends and NCIB, please see information provided under the heading *Liquidity and return of capital* in this MD&A.

For additional details, please see information provided under the heading *Factors Affecting Results of Operations* in this MD&A which discusses the factors that affect Genesis' results and seasonality.

Summary analysis for last 3 years

Total revenues consist of residential lot sales, development land sales, residential home sales and other revenues. Residential lot sales volumes were 236, 247 and 225 units in 2022, 2021 and 2020, respectively, reflecting market conditions in each period. In addition, development land sales were $15,991, $5,870 and $16,628 for 2022, 2021 and 2020 respectively. Development land sales are lumpy in nature and comprise sales of non-core lands, commercial lands and other lands that Genesis does not intend to build on.

Residential homes sold were 169, 191 and 163 in 2022, 2021 and 2020 respectively. Included in this were single-family homes sales of 162, 150 and 138 units in 2022, 2021 and 2020 respectively.

Gross margin in 2022 was lower mainly due to lower margins of residential lots and development land sales. This was partially offset by higher margins on residential home sales. Gross margins on development land sales can vary significantly and are also impacted by write-downs or reversal of write-downs on real estate held for development and sale. There was a net reversal of write-down of $1,086 in 2022, a reversal of write-down of $4,268 in 2021 and write-downs of $10,822 in 2020 respectively. Net earnings and net earnings per share - basic and diluted were affected as a result of the above.

Total assets increased by $39,211 in 2022 compared to 2021. This was mainly due to an increase in real estate held for development and sale by $46,828 and an increase of $8,533 in amounts receivable, partially offset by a reduction of $27,377 in cash and cash equivalents during the year.

Total assets increased by $58,435 in 2021 compared to 2020. This was mainly due to an increase in real estate held for development and sale by $25,546 and an increase in cash and cash equivalents of $34,232 primarily from proceeds of rights offering.

Total assets decreased by $29,774 in 2020 compared to 2019. This was mainly due to a decrease in real estate held for development and sale by $28,960 and a reduction of $17,839 in VTB mortgage receivable, partially offset by an increase in cash and cash equivalents of $13,495 during the year.

Total loans and credit facilities increased by $32,389 in 2022 compared to 2021. This was mainly due to addition of a LLLP loan of $20,198, higher land project servicing and home building project loan draws used to develop new phases and home building projects. The increase was partially offset by the repayment of the final $9,312 installment related to the acquisition of a $18,624 VTB for the purchase of the Calgary north lands.

Total loans and credit facilities increased by $11,198 in 2021 compared to 2020. This was mainly due to higher loan balances for active land development and home building activities. The increase was partially offset by the payment of the first $9,312 installment related to the acquisition of a $18,624 VTB for the purchase of the Calgary north lands.

Total loans and credit facilities decreased by $30,076 in 2020 compared to 2019. This was mainly due to the final installment of $8,000 paid in January 2020 on the VTB related to Genesis' southeast Calgary lands and the repayment of a $14,470 loan that was used to fund the $20,500 VTB from a limited partnership. In addition, Genesis used cash to pay off and close several loan and credit facilities in December 2020.

SUMMARY OF QUARTERLY RESULTS

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenues	**54,157**	43,610	22,211	20,379	26,531	34,988	29,529	18,713
Net earnings (loss) [(1)]	**3,062**	1,857	97	(496)	4,252	2,615	2,688	1,322
EPS [(2)]	**0.05**	0.04	0.00	(0.01)	0.09	0.06	0.06	0.03

[(1)] *Net earnings (loss) attributable to equity shareholders*
[(2)] *Net earnings (loss) per share - basic and diluted*

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Dividends declared	**4,265**	4,265	-	-	-	-	-	-
Dividends paid	**4,265**	4,265	-	-	-	-	-	6,280
Dividends declared - per share	**0.075**	0.075	-	-	-	-	-	-
Dividends paid - per share	**0.075**	0.075	-	-	-	-	-	0.14

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Residential lots sold to third parties (units)	**84**	54	2	4	2	38	4	16
Residential lots sold through GBG (units)	**22**	20	22	28	47	47	62	31
Total residential lots sold (units)	**106**	74	24	32	49	85	66	47

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Homes sold (units)	**57**	45	36	31	51	47	62	31

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Development land revenues	**6,338**	7,453	-	2,200	-	4,945	-	925

Cash flows (used in) from operating activities	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Amount	**(1,686)**	(2,737)	(12,891)	(26,442)	(6,326)	1,247	7,084	383
Per share - basic and diluted	**(0.03)**	(0.05)	(0.22)	(0.47)	(0.15)	0.03	0.16	0.01

In general, revenues and net earnings are mainly affected by the volume of residential lot and home sales, development land parcel sales, and write-downs or reversals of write-downs, if any. Seasonality affects the land development and home building industry in Canada, particularly winter weather conditions. For additional details, please see information provided under the heading "*Factors Affecting Results of Operations"* in this MD&A which discusses the factors that affect Genesis' results and seasonality further.

During Q4 2022, Genesis sold 84 residential lots to third party builders and 57 homes of which 22 homes were built on Genesis' lots. Revenues were higher in Q4 2022, compared to Q3 2022, due to higher residential home sales and residential lot sales to third parties, partially offset by lower development land sales during the quarter. Q4 2022 included $1,086 related to net reversal of write-downs previously taken, while Q3 2022 included no write-down or reversal of write-down. Gross margins in Q4 2022 were higher than in Q3 2022 with residential lots and development land sales all contributing to this. In Q4 2022, the Corporation recorded $560 as a gain in investments in land development entities with no gain recorded in Q3 2022. Selling and marketing expenses, general and administrative expenses and net finance expenses were higher in Q4 2022 compared to Q3 2022. Income tax expenses were $836 in Q4 2022 compared to $680 in Q3 2022. As a result, net earnings of $3,062 were incurred in Q4 2022 compared to net earnings of $1,857 in Q3 2022.

During Q3 2022, Genesis sold 54 residential lots to third party builders and 45 homes of which 20 homes were built on Genesis' lots. Revenues were higher in Q3 2022, compared to Q2 2022, due to higher residential home sales, residential lot sales to third parties and development land sales during the quarter. As a result, gross margins in Q3 2022 were higher than in Q2 2022. Selling and marketing expenses and net finance expenses were higher while general and administrative expenses were lower in Q3 2022 compared to Q2 2022. Income tax expenses were $680 in Q3 2022 compared to $84 in Q2 2022. As a result of these factors, net earnings were $1,857 in Q3 2022 compared to net earnings of $97 in Q2 2022.

During Q2 2022, Genesis sold 2 residential lots to third party builders and 36 homes of which 22 homes were built on Genesis' lots. Revenues were higher in Q2 2022, compared to Q1 2022, due to higher residential home sales, partially offset by lower development land sales and residential lot sales to third parties during the quarter. As a result, gross margins in Q2 2022 were higher than in Q1 2022. General and administrative, selling and marketing, net finance expenses and income tax expenses were comparable between Q2 2022 to Q1 2022. As a result of these factors, net earnings were $97 in Q2 2022 compared to a net loss of $496 in Q1 2022.

During Q1 2022, Genesis sold 4 residential lots to third party builders and 31 homes of which 28 homes were built on Genesis' lots. Revenues were lower in Q1 2022, compared to Q4 2021, due to lower residential home sales, partially offset by higher development land and residential lot sales to third parties during the quarter. Q1 2022 included no write-down or reversal of write-down, while Q4 2021 included a reversal of write-down of $3,265. Gross margins in Q1 2022 were lower than in Q4 2021 accordingly. In Q1 2022, there was no change in investments in land development entities, while the Corporation recorded a gain of $562 in Q4 2021. General and administrative expenses and net finance expenses were marginally higher while selling and marketing expenses were lower in Q1 2022 compared to Q4 2021. Income tax expenses were $28 in Q1 2022 compared to $1,226 in Q4 2021. As a result of these factors, a net loss of $496 was incurred in Q1 2022 compared to net earnings of $4,252 in Q4 2021.

During Q4 2021, Genesis sold 2 residential lots to third party builders and 51 homes of which 47 homes built on Genesis' lots. Revenues were lower in Q4 2021, compared to Q3 2021, due to no development land sales and significantly lower residential lot sales, with this being partially offset by higher residential home sales during the quarter. Q4 2021 included $3,265 related to reversal of write-downs previously taken, while Q3 2021 included a $1,003 corresponding reversal of a write-down. Gross margins in Q4 2021 were higher than in Q3 2021 with residential lots and home sales all contributing to this. In Q4 2021, the Corporation recorded $562 as a gain in investments in land development entities with no gain recorded in Q3 2021. General and administrative expenses, selling and marketing expenses and net finance expenses were higher in Q4 2021 compared to Q3 2021. Income tax expenses were $1,226 in Q4 2021 compared to $801 in Q3 2021. As a result of these factors, net earnings in Q4 2021 were higher than in Q3 2021.

During Q3 2021, Genesis sold 38 residential lots to third party builders and 47 homes. Revenues were higher in Q3 2021, compared to Q2 2021, due to higher development land and residential lot sales, with this being partially offset by lower residential home sales during the quarter. Gross margins in Q3 2021 were marginally lower than in Q2 2021. While development land sales had a higher gross margin than in Q2 2021, this higher gross margin was offset by lower gross margins on residential lots and homes in Q3 2021. Q3 2021 gross margins also included $1,003 related to the reversal of a write-down previously taken with no corresponding reversal of write-down or write-down in Q2 2021. Both selling and marketing expenses and net finance expenses were lower in Q3 2021 compared to Q2 2021 while general and administrative expenses were higher between Q3 2021 and Q2 2021. Income tax expenses were $801 in Q3 2021 compared to $955 in Q2 2021. As a result of these factors, net earnings in Q3 2021 were comparable to Q2 2021.

During Q2 2021, Genesis sold 4 residential lots to third party builders and 62 homes. Revenues were higher in Q2 2021, compared to Q1 2021, due to higher residential home sales, with this being partially offset by lower development land and residential lot sales during the quarter. Gross margins in Q2 2021 were significantly higher than in Q1 2021 mainly due to the higher volume of homes and total residential lots sold. Both general and administrative expenses, selling and marketing expenses were higher in Q2 2021 compared to Q1 2021 while net finance expenses were marginally lower between Q2 2021 and Q1 2021. Income tax expenses were $955 in Q2 2021 compared to $393 in Q1 2021. As a result of these factors, net earnings in Q2 2021 were higher than in Q1 2021.

During Q1 2021, Genesis sold 16 residential lots to third party builders, 31 homes and one development land parcel held by a controlled limited partnership. Revenues were lower in Q1 2021, compared to Q4 2020, due to lower development land revenues in Q1 2021, with this being partially offset by higher residential lot and home sales during the quarter. Gross margins in Q1 2021 were higher than in Q4 2020 mainly due to no write-down of real estate held for development and sale in Q1 2021 compared to $822 in Q4 2020. While residential lots and homes had a higher gross margin than in Q4 2020, this higher gross margin was offset by lower gross margin on development land sales in Q1 2021. General and administrative expenses were lower in Q1 2021 compared to Q4 2020 while selling and marketing expenses and net finance expenses were comparable between Q1 2021 and Q4 2020. Income tax expenses were $393 in Q1 2021 compared to $496 in Q4 2020. As a result of these factors, net earnings in Q1 2021 were higher than in Q4 2020.

RELATED PARTY TRANSACTIONS

Transactions occurred during the year ended December 31, 2022, with the following related parties:

a) In 2005, the Corporation sold a 49% undivided interest in approximately 610 acres to Genesis Limited Partnership #4 and GLP5 NE Calgary Development Inc. for $7,670. These entities are part of LP 4/5 group and are consolidated in the Corporation's financial statements. A margin of $4,194 was deferred at that point and would have been recognized when the lands were sold to an arm's length third party. In July 2022, the Corporation repurchased from LP4/5 group their 49% undivided interest in 456 acres of land for $6,699 with LP4/5 group still owning a 49% undivided interest in the remaining 154 acres of land. Cash proceeds were $5,038 with the remainder of $1,661 being applied against debt owed to the Corporation by LP4/5 group. The margin deferred on completion of the repurchase was $4,130 and will be recognized when the lands are sold to an arm's length third party.

b) Genesis and a private company created a limited partnership called SHEA LP to develop a two-building purpose built rental project containing approximately 300 units in the Corporation's Sage Hill Crest community. Genesis and the private company each own 50% of the units in SHEA LP (49% directly and 1% though the general partner Sage Hill Estates Apartments GP Inc.). Genesis sold a 3.22-acre multi-family site for $3,589 to SHEA LP and used the gross sale proceeds to purchase 50% of the units in SHEA LP by way of a capital contribution of $3,589. The private company will contribute cash equity until it is equal with Genesis' contribution after which all future contributions will be 50/50.

SUBSEQUENT EVENTS

Subsequent to December 31, 2022, the following occurred:

a) In Q4 2022, Genesis entered into binding agreements to sell a 20% ownership stake in LLLP to each of two Calgary based third party home builders. LLLP owns 130 acres of residential development land located in north Calgary in the Keystone Area Structure Plan. The transaction closed on January 16, 2023, for a cash consideration for each 20% ownership stake of $5,880 (net of assumption of debt of $4,000 each) resulting in gross proceeds for sale of a 40% ownership interest of $11,760 (net of assumption of debt of $8,000).

b) Genesis extended its $50,000 corporate revolving line of credit facility in January 2023 with a new maturity date of February 1, 2026.

c) In February 2023, Genesis paid $1,253 to GLP5 NE Calgary Development Inc. to acquire an additional 25 acres in the OMNI project in North Conrich. This results in Genesis holding a 73% interest (previously 59%) in the 185-acre OMNI project with the remaining 27% being held by Genesis Limited Partnership #4.

SUMMARY OF ACCOUNTING CHANGES

The Corporation adopted no new IFRSs or interpretations as of January 1, 2022.

NEW ACCOUNTING PRONOUNCEMENTS

There were no new accounting pronouncements or amendments to existing standards that impacted or are expected to impact the Corporation in 2022 and 2023.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments and estimates that affect the reported amounts of revenues, expenses (including stock-based compensation), assets and liabilities, and the disclosure of contingent liabilities at the reporting date for the land development and the home building businesses. On an ongoing basis, management evaluates its judgments and estimates in relation to revenues, expenses, assets and liabilities. Management uses historical experience, third party appraisals and reports and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. There were no material changes made to the critical accounting estimates for YE 2022 and YE 2021. Refer to note 2(q) in the consolidated financial statements for the years ended December 31, 2022 and 2021 for additional information on judgments and estimates.

Provision for Future Development Costs

Changes in estimated future development costs (net of recoveries, if any) related to land, lots and homes previously sold by Genesis and for which it has ongoing obligations directly impacts the amount recorded for the future development liability, cost of sales, gross margin and, in some cases, the value of real estate under development and held for sale. This liability is subject to uncertainty due to the longer time frames involved, particularly in land development.

Reversal of Write-down / Write-down of Real Estate Held for Development and Sale

The Corporation estimates the net realizable value ("NRV") of real estate held for development and sale at least annually or whenever events or changes in circumstances indicate the carrying value may exceed NRV. The estimate is based on valuations conducted by independent real estate appraisers, other professional reports and estimates and takes into account recent market transactions of similar and adjacent lands and housing projects in the same geographic area.

Valuation of Amounts Receivable

Amounts receivable are reviewed on a regular basis to estimate recoverability of balances. Any overdue amounts and any known issues about the financial condition of debtors are taken into account when estimating recoverability.

Investments in Land Development Entities

The fair value of investments in land development entities are based on the market approach method. This method uses prices and other relevant information that have been generated by market transactions involving identical or comparable assets.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. The CEO and CFO have designed, or caused to be designed under their direct supervision, Genesis' DC&P to provide reasonable assurance that:

(i) material information relating to the Corporation, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared; and

(ii) information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported on a timely basis.

The CEO and CFO have also designed, or caused to be designed under their direct supervision, Genesis' ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The ICFR have been designed using the control framework established in Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

The CEO and CFO have evaluated the design and operating effectiveness of Genesis' DC&P and ICFR and concluded that Genesis' DC&P and ICFR were effective as at December 31, 2022. While Genesis' CEO and CFO believe that the Corporation's internal controls and procedures provide a reasonable level of assurance that such controls and procedures are reliable, an internal control system cannot prevent all errors and fraud. It is management's belief that any control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

There were no changes in the Corporation's ICFR during the three months and year ended December 31, 2022 that have materially affected or are reasonably likely to materially affect the Corporation's ICFR.

RISKS AND UNCERTAINTIES

In 2022, the Alberta economy continued its recovery with strong prices for oil and natural gas and increased immigration fueling this growth. Despite the strong start to the year, in the second half of 2022 the increase in home prices, rising lending rates and continued inflationary pressures are weighing on demand. This is offset by low home supply and continued population growth.

Given the volatile economy, it is not possible to reliably estimate the length and overall impact of these developments and the impact on the financial results and condition of the Corporation in future periods.

In the normal course of business, Genesis is exposed to certain risks and uncertainties inherent in the real estate development and home building industries. Real estate development and home building are cyclical and capital-intensive businesses. As a result, the profitability and liquidity of Genesis could be adversely affected by external factors beyond the control of management. Risks and uncertainties faced by Genesis include industry risk, competition, supply and demand, geographic risk, development and construction costs, credit and liquidity risks, finance risk, interest risk, management and key personnel risk, mortgage rates and financing risk, general uninsured losses, cyber-security and business continuity risk, environmental risk and government regulations.

There may be additional risks that management may need to consider from time to time. For a more detailed discussion on the Corporation's risk factors, refer to Genesis' AIF for the year ended December 31, 2022 available on SEDAR at www.sedar.com.

Development and Construction Cost Risk

Genesis may be impacted by higher prices of labour, consulting fees, construction services and materials. Costs of development and building have fluctuated over the past several years and are typically passed on to the end customer through higher pricing. Any significant increase that Genesis cannot pass on to the end customer may have a negative material impact on profits. Supply chain pressures have become an increasing risk due to economic restrictions put in place and the impacts are unknown and largely unpredictable but could impact both the price and timely availability of materials.

Credit and Liquidity Risk

Credit risk arises from the possibility that third-party builders who agree to acquire lots from Genesis may experience financial difficulty and be unable to fulfill their lot purchase commitments.

Liquidity risk is the risk that Genesis will not be able to obtain financing for its servicing and other needs or be able to meet its financial obligations as they fall due. If Genesis is unable to generate sufficient sales, renew existing credit facilities or secure additional financing, its ability to meet its obligations as they become due may be impacted. Based on the Corporation's operating history, relationships with lenders and committed sales contracts, management believes that Genesis has the ability to continue to renew or repay its financial obligations as they become due.

Finance Risk

Genesis uses debt and other forms of financing in its business to execute the corporate strategy. Genesis uses project specific credit facilities to fund land development costs and construction operating lines for home construction purposes. Should Genesis be unable to retain or obtain such credit facilities, its ability to achieve its goals could be impacted. In order to reduce finance risk, Genesis endeavors to match the term of financing with the expected revenues of the underlying land asset.

Management regularly reviews the Corporation's credit facilities in accordance with review and renewal dates prescribed in the related agreements. The Corporation has successfully managed the requirements in accordance with project development plans and operating requirements.

Litigation Risk

All industries are subject to legal claims, with or without merit. The Corporation may be involved from time to time in various legal proceedings which may include potential liability from its operating activities and, as a public company, possibly from violations of securities laws or breach of fiduciary duty by its directors or officers. Defense and settlement costs can be substantial, even with respect to legal claims that have no merit. Due to the inherent uncertainty associated with litigation, the resolution of any legal proceeding could have a material effect on the financial position and results of operations of the Corporation.

Cybersecurity and Business Continuity Risk

Genesis' operations, performance and reputation depend on how its technology networks, systems, offices and sensitive information are protected from cyberattacks. Genesis' operations and business continuity depend on how well it protects, tests, maintains and replaces its networks, systems and associated equipment. The protection and effective organization of Genesis' systems, applications and information repositories are central to the security and continuous operation of its business.

Cyberattacks and threats (such as hacking, computer viruses, denial of service attacks, industrial espionage, unauthorized access to confidential information, or other breaches of network or IT security) continue to evolve and Genesis' IT defenses need to be regularly monitored and adapted. Vulnerabilities could harm Genesis' brand and reputation as well as its business relationships and could adversely affect its operations and financial results.

Genesis continues to carefully manage cybersecurity risk. To do so, Genesis has the following in place: third party reviews and implementation of all reasonable recommendations, enterprise grade firewalls with the ability to detect port scanning, denial of service attacks and content filtering and application control to permit or deny traffic on the network. Genesis also has anti-virus software with behaviour based real-time threat end-point protection, ability to scan and lock down unauthorized system changes and/or file encryption and prevent suspicious network behaviour. In addition, all incoming and outgoing emails are scanned for content, suspicious URLs and the existence of recipients within the organization. Regular internal backups of network databases and files are made in case of data corruption or encryption. Internet facing services are additionally protected by MFA security methods. The Corporation maintains various types of insurance to cover certain potential risks and regularly evaluates the adequacy of this coverage.

There may be additional risks that management may need to consider as circumstances require. For a more detailed discussion on the Corporation's risk factors, refer to Genesis' AIF for the year ended December 31, 2022 available on SEDAR at www.sedar.com.

NON-GAAP MEASURES

Non-GAAP measures do not have any standardized meaning according to IFRS, and therefore may not be comparable to similar measures presented by other reporting issuers.

Gross margin before reversal of write-down / write-down is a non-GAAP measure, and therefore may not be comparable to similar measures presented by other reporting issuers. Gross margin before write-down is calculated by adjusting for write-down of real estate held for development and sale. Gross margin before write-down of real estate held for development and sale is used to assess the performance of the business without the effects of the non-cash write-down of real estate held for development and sale. Management believes it is useful to exclude write-down from the analysis as it could affect the comparability of financial results between periods and could potentially distort the analysis of trends in business performance. Excluding this item does not imply it is non-recurring. The most comparable GAAP financial measure is gross margin.

The tables below show the calculation of gross margin before reversal of write-down, which is derived from gross margin:

Development Land	**Three months ended December 31,**		**Year ended December 31,**	
	2022	**2021**	**2022**	**2021**
Development land revenues	**6,338**	-	**15,991**	5,870
Gross margin	**1,165**	3,265	**2,114**	4,919
(Reversal of write-down) of real estate held for development and sale	**(1,086)**	(3,265)	**(1,086)**	(4,268)
Gross margin before reversal of write-down	**79**	-	**1,028**	651
Gross margin before reversal of write-down (%)	**1.2%**	-	**6.4%**	11.1%

Residential Lots	**Three months ended December 31,**		**Year ended December 31,**	
	2022	**2021**	**2022**	**2021**
Residential lot revenues	**18,015**	8,423	**40,639**	41,095
Gross margin	**3,808**	3,540	**8,113**	14,698
Write-down of real estate held for development and sale	**-**	-	**-**	-
Gross margin before write-down	**3,808**	3,540	**8,113**	14,698
Gross margin before write-down (%)	**21.1%**	42.0%	**20.0%**	35.8%

Homes	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Revenues for homes	**33,799**	26,024	**100,680**	92,416
Gross margin	**4,783**	3,397	**16,931**	12,226
Write-down of real estate held for development and sale	**-**	-	**-**	-
Gross margin before write-down	**4,783**	3,397	**16,931**	12,226
Gross margin before write-down (%)	**14.2%**	13.1%	**16.8%**	13.2%

Development Land, Residential Lots and Homes	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
Total revenues	**54,157**	26,531	**140,357**	109,761
Gross margin	**9,756**	10,202	**27,158**	31,843
(Reversal of write-down) of real estate held for development and sale	**(1,086)**	(3,265)	**(1,086)**	(4,268)
Gross margin before reversal of write-down	**8,670**	6,937	**26,072**	27,575
Gross margin before reversal of write-down (%)	**16.0%**	26.1%	**18.6%**	25.1%

Net (debt) cash is a non-GAAP measure, and therefore may not be comparable to similar measures presented by other reporting issuers. Net (debt) cash is calculated as the difference between cash and cash equivalents and loan and credit facilities. Management believes that net (debt) cash is an important measure to monitor leverage and evaluate the balance sheet. The most comparable GAAP financial measure is loan and credit facilities.

The table below shows the calculation of net (debt) cash:

	December 31, 2022	December 31, 2021
Cash and cash equivalents	**36,598**	63,975
Loan and credit facilities	**65,057**	32,668
Net (debt) cash	**(28,459)**	31,307

TRADING AND SHARE STATISTICS

The Corporation’s trading and share statistics for 2022 and 2021 are provided below:

	2022	2021
Average daily trading volume	**7,581**	11,857
Share price ($/share)		
High	**2.98**	3.00
Low	**1.83**	1.97
Close	**2.03**	2.31
Market capitalization at December 31,	**115,433**	131,354
Shares outstanding	**56,863,335**	56,863,335

OTHER

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.

ADVISORIES

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain statements which constitute forward-looking statements or information ("forward-looking statements") within the meaning of applicable securities legislation, including Canadian Securities Administrators' National Instrument 51-102 - *Continuous Disclosure Obligations*, concerning the business, operations and financial performance and condition of Genesis. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "proposed", "scheduled", "future", "likely", "seeks", "estimates", "plans", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Although Genesis believes that the anticipated future results, performance or achievements expressed or implied by forward-looking statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements because they involve assumptions, known and unknown risks, uncertainties and other factors many of which are beyond the Corporation's control, which may cause the actual results, performance or achievements of Genesis to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Accordingly, Genesis cannot give any assurance that its expectations will in fact occur and cautions that actual results may differ materially from those in the forward-looking statements.

Forward-looking statements are based on material factors or assumptions made by us with respect to, among other things, opportunities that may or may not be pursued by us; changes in the real estate industry; fluctuations in the Canadian and Alberta economy; changes in the number of lots sold and homes delivered per year; and changes in laws or regulations or the interpretation or application of those laws and regulations. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Forward-looking statements in this MD&A and factors that could cause actual results to differ materially from such statements include, but are not limited to, those outlined in the following table:

Forward-looking statements in this MD&A include, but are not limited to:	Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to:
• the availability of excess cash on hand and its proposed use; • the future exercise of any right to purchase; • the future payment of dividends and/or common share buybacks; • the timing and approval of the Logan Landing outline plan and land use applications and final pre-development approvals; • the timing and approval of Huxley outline plan and land use applications, and anticipated commencement of development of these lands; • the timing and approval of the conceptual scheme for the OMNI ASP and planning for an interchange to provide site access; • the anticipated number of housing units in the various communities upon completion; • the expected completion dates of various projects that GBG is currently engaged in, the timeline for pre-construction homes and anticipated lot yields for projects under development; • plans and strategies surrounding the acquisition of additional land; • commencement of the servicing phase and the construction phase of various communities and projects; • the financing of such phases and expected increased leverage; • anticipated general economic and business conditions, including forecasted economic growth; • potential changes, if any, to the federal mortgage lending rules and other rules that may impact home ownership in Canada; • expectations for lot and home prices; • construction starts and completions; • future development costs; • anticipated expenditures on land development activities; • GBG's sales process and construction margins; • the payment of dividends; and • the ability to continue to renew or repay financial obligations and to meet liabilities as they become due.	• the impact of contractual arrangements and incurred obligations on future operations and liquidity; • local real estate conditions, including the development of properties in close proximity to Genesis' properties; • the uncertainties of real estate development and acquisition activity; • fluctuations in interest and inflation rates; • ability to access and raise capital and debt financing on favorable terms, or at all; • not realizing on the anticipated benefits from transactions or not realizing on such anticipated benefits within the expected time frame; • the cyclicality of the oil and gas industry; • changes in the Canadian US dollar exchange rate; • labour matters; • product availability due to supply chain issues and (or) cost increases; • governmental laws and regulations; • general economic and financial conditions; • stock market volatility; and • other risks and factors described from time to time in the documents filed by Genesis with the securities regulators in Canada available at www.sedar.com, including in this MD&A under the heading "*Risks and Uncertainties*" and the AIF under the heading "*Risk Factors*".

The forward-looking statements contained in this MD&A are made as of the date of this MD&A, based only on information currently available to us, and, except as required by applicable law, Genesis does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

MANAGEMENT'S REPORT

To the Shareholders of Genesis Land Development Corp.:

The consolidated financial statements and all information in the Management's Discussion and Analysis ("MD&A") are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with the accounting policies in the notes to the consolidated financial statements. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality, and are in accordance with International Financial Reporting Standards ("IFRS") appropriate in the circumstances. The financial information in the MD&A has been reviewed by management to ensure consistency with the consolidated financial statements.

Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records properly maintained to provide reliable information for the preparation of consolidated financial statements.

The consolidated financial statements have been further examined by the Board of Directors and by its Audit Committee, which meets regularly with the auditors and management to review the activities of each. The Audit Committee is composed of four independent directors, and reports to the Board of Directors.

MNP LLP, an independent firm of Chartered Professional Accountants, was engaged to audit the consolidated financial statements in accordance with Canadian generally accepted auditing standards and IFRS to provide an independent auditors' opinion.

IAIN STEWART
President and Chief Executive Officer

WAYNE KING
Chief Financial Officer

March 2, 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Genesis Land Development Corp.:

Opinion

We have audited the consolidated financial statements of Genesis Land Development Corp. and its subsidiaries (the "Corporation"), which comprise the consolidated balance sheets as at December 31, 2022 and December 31, 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS DESCRIPTION	AUDIT RESPONSE
Real Estate Held for Development and Sale As at December 31, 2022, approximately 73% of the Corporation's assets or $265.7 million are comprised of real estate held for development and sale (refer to Note 5). As described in Note 2e, real estate held for development and sale is measured at lower of cost or net realizable value. The determination of the net realizable value of real estate held for development and sale is considered to be a significant estimate. Each valuation requires consideration of various inputs including, but not limited to, the type of real estate, its location, stage of development and comparable market transactions. We therefore considered real estate held for development and sale to be a key audit matter.	We responded to this matter by performing audit procedures in relation to real estate held for development and sale. Our audit work in relation to this included, but was not restricted to, the following: • We obtained the independent appraisals completed for the Corporation's real estate holdings. We verified that management had appropriately deducted future development costs and estimated selling costs from the appraised values to determine the net realizable value. We compared the carrying value to the estimated net realizable value. • We obtained reliance letters from the independent appraisers and confirmed their professional qualifications and their role as specialists. • For real estate held for development and sale in which no appraisal was obtained, we assessed the carrying value based on recent sales made in the various phases. We performed a recalculation using the current year average sales price, multiplied by the number of lots remaining in each phase. We ensured expected future development costs and estimated selling costs were applied to the values in order to analyze the reasonability of net realizable value when compared to the carrying values in the general ledger.

	• We assessed the appropriateness of the disclosures relating to the assumptions used in real estate held for development and sale in the notes to the consolidated financial statements.
Provision for Future Development Costs As described in Notes 2n and 14, the Corporation has obligations related to the completion of land under development and housing projects. The Corporation recognizes a liability for the future costs to be incurred. The liability recognized for future land development and housing project costs involves inputs which rely on significant judgment from management, as well as significant reliance on the estimates made by third party engineers and architects. As such, future development and housing project costs have a high degree of subjectivity. We therefore considered the provision for future development costs to be a key audit matter.	We responded to this matter by performing procedures in relation to the provision for future land development and housing project costs. Our audit work in relation to this included, but was not restricted to, the following: • We obtained copies of the estimated cost reports prepared by independent experts (engineers and architects) engaged by management. • We obtained reliance letters from the independent appraisers and confirmed their professional qualifications and their role as specialists. • For internally estimated future development costs, we had thorough discussions with managers in the land and home divisions of the Corporation to understand management's estimation process. We assessed the reasonableness of the internal estimates based on known historical and current information. We compared the prior year costs to complete ("CTC") balance to current year CTC by community and analyzed significant variances to ensure that the change in CTC from the prior year is reasonable. We also compared estimates in management's calculation to the reports obtained from independent engineer specialists. In addition, we recalculated the allocation of common land development costs to specific development phases and completed analytical procedures based on the percentage of lots sold to identify unexpected and unusual variances in the expected CTC balance. • We performed a look back analysis by comparing the previous provision for future development cost estimates to subsequent actual costs incurred to gain comfort over management's process for determining estimates of future development costs. • We assessed the appropriateness of the disclosures relating to the assumptions used in the provision for future land development costs in the notes to the consolidated financial statements.

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Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis.
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and

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whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Bonnell.

MNP LLP

Chartered Professional Accountants

Calgary, Alberta
March 2, 2023

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED BALANCE SHEETS
(In thousands of Canadian dollars)

	Notes	December 31, 2022	December 31, 2021
Assets			
Real estate held for development and sale	5	**265,683**	218,855
Amounts receivable	6	**22,165**	13,632
Investments in land development entities	7	**6,730**	6,170
Investment in joint venture	8	**3,588**	-
Other operating assets	9	**20,679**	14,738
Right-of-use assets	10	**562**	655
Deferred tax assets	11	**8,135**	6,904
Cash and cash equivalents		**36,598**	63,975
Total assets		**364,140**	324,929
Liabilities			
Loan and credit facilities	12	**65,057**	32,668
Customer deposits	13	**15,753**	9,002
Accounts payable and accrued liabilities	21a	**12,470**	16,808
Accounts payable related to residential lot purchases		**17,944**	9,600
Lease liabilities		**841**	842
Income tax payable		**704**	2,092
Provision for future development costs	14	**24,034**	17,979
Total liabilities		**136,803**	88,991
Commitments and contingencies	20		
Subsequent events	12a, 16b, 25		
Equity			
Share capital	15	**82,383**	82,383
Contributed surplus	16c	**1,063**	1,045
Retained earnings		**141,186**	145,196
Shareholders' equity		**224,632**	228,624
Non-controlling interest		**2,705**	7,314
Total equity		**227,337**	235,938
Total liabilities and equity		**364,140**	324,929

See accompanying notes to the consolidated financial statements.

ON BEHALF OF THE BOARD:

/s/ **Stephen J. Griggs**
Director and Chair

/s/ **Steven Glover**
Director and Chair of the Audit Committee

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2022 and 2021
(In thousands of Canadian dollars except per share amounts)

	Notes	Year ended December 31, 2022	2021
Revenues			
Sales revenue		**140,241**	109,713
Other revenue		**116**	48
	22	**140,357**	109,761
Direct cost of sales		**(114,285)**	(82,186)
Reversal of write-down of real estate held for development and sale	5	**1,086**	4,268
		(113,199)	(77,918)
Gross margin		**27,158**	31,843
Gain in investments in land development entities	7	**560**	562
General and administrative	17	**(14,786)**	(12,025)
Selling and marketing	18	**(5,815)**	(5,143)
		(20,041)	(16,606)
Earnings from operations		**7,117**	15,237
Finance income		**512**	338
Finance expense	19	**(1,612)**	(1,220)
Earnings before income taxes		**6,017**	14,355
Income tax expense	11	**(1,628)**	(3,375)
Net earnings being comprehensive earnings		**4,389**	10,980
Attributable to non-controlling interest	24	**(131)**	103
Attributable to equity shareholders		**4,520**	10,877
Net earnings per share - basic and diluted	15b	**0.08**	0.24

See accompanying notes to the consolidated financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(In thousands of Canadian dollars except number of shares)

		Equity attributable to Corporation's shareholders						
		Common shares - Issued						
	Notes	**Number of Shares**	**Amount**	**Contributed Surplus**	**Retained Earnings**	**Total Shareholders' Equity**	**Non-Controlling Interest**	**Total Equity**
At December 31, 2020		41,863,335	52,489	868	134,319	187,676	12,084	199,760
Share-based payments	16c	-	-	177	-	177	-	177
Issued on rights offering, net		15,000,000	29,894	-	-	29,894	-	29,894
Distributions	24	-	-	-	-	-	(4,773)	(4,773)
Net earnings being comprehensive earnings and other		-	-	-	10,877	10,877	3	10,880
At December 31, 2021		**56,863,335**	**82,383**	**1,045**	**145,196**	**228,624**	**7,314**	**235,938**

At December 31, 2021		56,863,335	82,383	1,045	145,196	228,624	7,314	235,938
Share-based payments	16c	-	-	18	-	18	-	18
Dividends	15d	-	-	-	(8,530)	(8,530)	-	(8,530)
Distributions and other	24	-	-	-	-	-	(4,478)	(4,478)
Net earnings being comprehensive earnings		-	-	-	4,520	4,520	(131)	4,389
At December 31, 2022		**56,863,335**	**82,383**	**1,063**	**141,186**	**224,632**	**2,705**	**227,337**

See accompanying notes to the consolidated financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(In thousands of Canadian dollars)

		Year ended December 31,	
	Notes	**2022**	**2021**
Operating activities			
Receipts from residential lot sales		**16,742**	13,981
Receipts from development land sales		**15,991**	8,589
Receipts from residential home sales		**104,049**	95,480
Other cash receipts		**311**	777
Paid for land development		**(33,820)**	(39,868)
Paid for lots / land acquisition		**(39,245)**	(3,993)
Paid for residential home construction		**(84,478)**	(57,323)
Paid to suppliers and employees		**(19,572)**	(16,053)
Interest received		**512**	338
Income tax (payments) refunds		**(4,246)**	460
Cash flows (used in) from operating activities		**(43,756)**	2,388
Investing activities			
Investment in joint venture	8	**(3,589)**	-
Acquisition of equipment		**(607)**	(875)
Change in restricted cash		**2,093**	250
Contribution made for joint venture		**-**	(260)
Cash flows used in investing activities		**(2,103)**	(885)
Financing activities			
Advances from loans and credit facilities	12	**84,151**	61,517
Repayments of loans and credit facilities		**(42,389)**	(40,416)
Repayment of vendor-take-back mortgage payable	12e	**(9,312)**	(9,312)
Interest and fees paid on loans and credit facilities		**(2,452)**	(1,871)
Distributions to unit holders of limited partnerships		**(2,986)**	(803)
Dividends paid	15d	**(8,530)**	(6,280)
Proceeds from rights offering, net		**-**	29,894
Cash flows from financing activities		**18,482**	32,729
Change in cash and cash equivalents		**(27,377)**	34,232
Cash and cash equivalents, beginning of year		**63,975**	29,743
Cash and cash equivalents, end of year		**36,598**	63,975

See accompanying notes to the consolidated financial statements.

1. DESCRIPTION OF BUSINESS

Genesis Land Development Corp. (the "Corporation" or "Genesis") was incorporated under the Business Corporation Act (Alberta) on December 2, 1997.

The Corporation is engaged in the acquisition, development and sale of land, residential lots and homes primarily in the greater Calgary area. The Corporation reports its activities as two business segments: land development and home building.

The Corporation is listed for trading on the Toronto Stock Exchange under the symbol "GDC". Genesis' head office and registered office are located at 6240, 333 - 96 Ave. NE, Calgary, AB T3K 0S3.

In March 2022, all COVID health recommendations applied by the Province of Alberta were removed. However, as a result of the restrictions placed by regulatory authorities there remain numerous supply chain issues that impact the procurement and availability of multiple components required to build homes and develop land. To this point, the Corporation has been able to manage these issues. The Corporation remains cautious as there is continued uncertainty as to the extent and duration of the future economic implications which could have an adverse impact on the Corporation's financial position, negatively impact the value of its long term assets, future revenue and profitability.

The consolidated financial statements of Genesis were approved for issuance by the Board of Directors on March 2, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The significant accounting policies of the Corporation are set out below. These policies have been consistently applied to each of the years presented, unless otherwise indicated.

a) **Statement of compliance**

The consolidated financial statements of the Corporation are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

b) **Basis of presentation**

The consolidated financial statements have been prepared under the historical cost convention except for the financial assets classified as fair value through profit or loss and stock options and deferred share units that have been measured at fair value. The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency, and all values are rounded to the nearest thousand, except per share values and where otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) **Basis of consolidation**

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, as well as the consolidated revenues, expenses, assets, liabilities and cash flows of limited partnership entities that the Corporation controls. When the Corporation has less than 50% equity ownership in these limited partnership entities, the Corporation may still have control over these entities' activities, projects, financial and operating policies due to contractual arrangements. Accordingly, the accounts of the limited partnerships have been consolidated in the Corporation's financial statements.

Controlled entities are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continues to be consolidated until the date when such control ceases. Control exists when the Corporation has the power, directly or indirectly, to govern the financial and operating policies of an entity. All intra-group transactions, balances, dividends and unrealized gains and losses resulting from intra-group transactions are eliminated on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets not owned by the Corporation and are presented separately from shareholders' equity in the consolidated statements of comprehensive income and within equity in the consolidated balance sheets. Losses within a controlled entity are attributed to the non-controlling interest even if that results in a deficit balance.

d) **Revenue recognition**

(i) Residential lot sales

Lot sales to third parties are recognized when the Corporation's performance obligations are satisfied, and transfer of control has passed to the purchaser.

Performance obligations are considered satisfied when the Corporation has the ability to release the lot to the purchaser after agreed to services pertaining to the property have been substantially performed.

Indicators of transfer of control to a purchaser include a present right to payment at the closing date of the contract, the purchaser having full access to the lot and the purchaser's ability to obtain a building permit from the relevant authority, all indicating that significant risk and rewards of ownership have been transferred to the purchaser who has signed a contract and has made a minimum 15% non-refundable deposit. In order to mitigate credit risk, the Corporation does not transfer title to sold residential lots until full payment is received.

Deposits received upon signing of contracts for purchases of lots on which revenue recognition criteria have not been met are recorded as customer deposits.

(ii) Development land sales

Development land sales to third parties are recognized when the Corporation's performance obligations are satisfied, and transfer of control has passed to the purchaser.

Performance obligations are satisfied after agreed to services pertaining to the property have been substantially performed.

Indications of transfer of control to a purchaser include registering the subdivision plan with the land titles office and transferring title of the land to the purchaser on receipt of full payment, all indicating significant risk and rewards of ownership are transferred to the purchaser. In situations where extended payment terms are provided to a purchaser, an appropriate rate of interest is included, and the Corporation secures appropriate security for the remaining unpaid portion before title to the land is transferred to the purchaser.

Deposits received upon signing of contracts for purchases of land on which revenue recognition criteria have not been met are recorded as customer deposits.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Residential home sales

Home sales to third parties are recognized when the Corporation's performance obligations are satisfied, and transfer of control has passed to the purchaser.

Performance obligations are considered satisfied when title to the completed home is conveyed to the purchaser, at which time all proceeds are received or collection is reasonably assured.

Deposits received from customers upon signing of contracts for purchases of completed homes for which revenue recognition criteria have not been met are recorded as customer deposits.

(iv) Finance income

Finance income is recognized as it accrues using the effective interest rate method.

(v) Other revenue

Rental income is recognized on a straight-line basis over the term of the rental agreement. Rental income is incidental to ownership of real estate and does not result in classification of real estate as investment property. All real estate is classified as inventory. Deposits forfeited are recognized as income.

e) **Real estate held for development and sale**

Land under development, land held for future development and housing projects under construction are inventory and are measured at the lower of cost and estimated net realizable value ("NRV"). NRV is the estimated selling price in the ordinary course of the business at the balance sheet date, less costs to complete and estimated selling costs.

Cost includes land acquisition costs, other direct costs of development and construction, borrowing costs, property taxes and legal costs. These costs are allocated to each phase of the project in proportion to saleable acreage.

f) **Borrowing costs**

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of the funds. The acquisition or construction of real estate assets takes a substantial period of time, which is a year or more, to develop it for its intended use or sale. Borrowing costs attributable to real estate held for development and sale are recorded as part of the respective inventory carrying cost from the date of commencement of development work until the date of completion. All other borrowing costs are expensed in the period in which they are incurred. The recording of interest to inventory is suspended if the project's development is suspended for a prolonged period.

g) **Property and equipment**

Property and equipment is stated at cost, net of any accumulated depreciation and accumulated impairment losses. Depreciation is provided on all operating property and equipment based on the straight-line method over the estimated useful lives of the property and equipment. The useful lives of the properties are as follows:

- Vehicles and other equipment — 5 years
- Office equipment and furniture — 7 years
- Computer hardware and software — 3 years
- Showhome furniture — 3 years
- Leasehold improvements — Lesser of useful life of the improvement or the lease term

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) **Income taxes**

Income tax is recognized in the consolidated statements of comprehensive income except to the extent that it related to items recognized directly in equity, in which case it is recognized in equity.

Income taxes comprise the following:

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries, using tax rates and laws that are enacted or substantively enacted as at the balance sheet date.

(ii) Deferred tax

Deferred tax is provided at the balance sheet date using the liability method on all temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available, against which deductible temporary differences, carried forward tax credits or tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

The Corporation's consolidated financial statements include some entities that are limited partnerships (note 24) and are not subject to income taxes. The income or loss for Canadian tax purposes is attributable to the taxable income of the limited partners in accordance with the provisions of the Income Tax Act (Canada). The calculation of income tax expense reflects the exclusion of taxable income allocated to limited partners that form part of the non-controlling interest.

i) **Cash and cash equivalents**

Cash and cash equivalents consist of cash held with banks and short-term deposits with an original maturity of three months or less.

j) **Leases**

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) **Financial assets**

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The three primary measurement categories for financial assets are: amortized cost, fair value through profit and loss ("FVTPL"), and fair value through other comprehensive income ("FVOCI").

Financial assets measured at amortized cost are assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial instruments classified as amortized cost are initially measured at fair value plus directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest rate method, less impairment. The amortization and losses arising from impairment are recognized in the consolidated statements of comprehensive income.

Financial assets at FVOCI are assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL are assets that do not meet the criteria for amortized cost or FVOCI. Financial assets classified as FVTPL are carried on the balance sheet at fair value with changes in fair value recognized in the consolidated statements of comprehensive income. Transaction costs are expensed as incurred.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or the Corporation transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained is recognized as a separate asset or liability.

Loss allowance for trade receivables is calculated using the expected lifetime credit loss model and recorded at the time of initial recognition. Title to land sold is typically transferred on receipt of full payment from the purchaser. In situations where extended payment terms are provided to a purchaser, the Corporation secures adequate security for the remaining unpaid portion before title to the land is transferred to the purchaser. The Corporation experiences no material impact of the loss allowance for trade receivables due to the above. The expected loss allowance using the lifetime credit loss approach, has no material impact on the consolidated financial statements.

The Corporation recognizes bad debt expense or recovery relating to amounts receivable on sold lots, net of the value of the related sold lots, on the termination of the relevant agreement, which are taken back into the Corporation's lot inventory. Bad debt expense or recovery is included in the Corporation's general and administrative expenses.

l) **Financial liabilities**

The classification of financial liabilities is determined by the Corporation at initial recognition. The classification categories are: amortized cost and FVTPL.

Financial liabilities classified as amortized cost are financial liabilities initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in the consolidated statements of comprehensive income.

Financial liabilities measured at FVTPL are financial liabilities measured at fair value with changes in fair value and interest expense recognized in the consolidated statements of comprehensive income.

Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets and financial liabilities are offset, and the net amount presented on the balance sheet when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Corporation's financial instruments (assets and liabilities) are classified as follows:

• Cash	FVTPL
• Cash equivalents	Amortized cost
• Deposits	Amortized cost
• Equity investments in land development entities	FVTPL
• Restricted cash	FVTPL
• Amounts receivable	Amortized cost
• Accounts payable and accrued liabilities	Amortized cost
• Cash settled deferred share units	FVTPL
• Loans and credit facilities	Amortized cost

m) **Earnings per share**

The amount of basic earnings per share is calculated by dividing the comprehensive earnings attributable to equity holders by the weighted average number of shares outstanding during the period. The diluted earnings per share amount is calculated giving effect to the potential dilution that would occur if stock options were exercised. The treasury stock method is used to determine the dilutive effect of stock options.

The calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively when the number of common shares outstanding increases as a result of a rights offering.

n) **Provision for future development costs**

The Corporation sells land, lots and homes for which it is responsible to pay for future development costs. For land development, the provision for future development costs represents the estimated remaining construction costs related to previously sold land, including all direct and indirect costs expected to be incurred during the remainder of the servicing period, net of expected recoveries. The provision is reviewed periodically and, when the estimate is known to be different from the actual costs incurred or expected to be incurred, an adjustment is made to the provision for future development costs and a corresponding adjustment is made to land under development and/or cost of sales. For home building, the provision for future development costs represents the costs likely to be incurred on remaining seasonal work and estimated warranty charges over the one-year warranty period.

o) **Share-based compensation**

The Corporation has a long-term incentive plan comprised of a stock option plan and a deferred share unit ("DSU") plan.

(i) Stock options

The Corporation's stock option plan allows for the recipients to purchase common shares. Vesting provisions and exercise prices are set at the time of issuance by the Board of Directors. Options vest over a number of years on various anniversary dates from the date of the original grant. Options are issued with exercise prices not less than the fair market value of the common shares at the date of grant and with terms not exceeding ten years from the date of grant.

The fair value of share-based payments related to the stock options granted is calculated at the grant date using the Black-Scholes Option-Pricing Model. The costs of the share-based payments are recognized on a proportionate basis over the related vesting period of each tranche of the grant as an expense with recognition of the corresponding increase in contributed surplus. Any consideration paid on the exercise of stock options, together with any related contributed surplus, is credited to the share capital account.

Share-based payments may be settled in cash or equity at the sole discretion of the Corporation and are accounted for as equity-settled plans.

The dilutive effect of outstanding options is reflected in the computation of earnings per share.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Deferred share unit plan

DSUs are notional common shares of the Corporation that do not settle until the recipient leaves the Corporation. The Corporation's DSU plan allows for the participants to receive cash-settled DSUs. The fair value of DSUs and the cash payment, when made, is based on the common share price of the Corporation at the relevant time. Vesting provisions for DSUs are determined at the time of issuance.

The fair value of the DSUs is recognized as share-based compensation expense, with a corresponding increase in accrued liabilities over the vesting period. The amount recognized as an expense is based on the estimate of the number of DSUs expected to vest. DSUs are measured at their fair value at each reporting period on a mark-to-market basis. The accrued liability is reduced on the cash payout of any DSU.

p) **Interest in joint venture**

The Corporation has an interest in a joint venture, Sage Hill Estates Apartments LP, ("SHEA LP" or the "JV") which is a jointly controlled entity. The Corporation recognizes its interest in the JV using the equity method of accounting.

q) **Significant accounting judgments and estimates**

The preparation of consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. On an ongoing basis, management evaluates its judgments and estimates in relation to revenues, expenses, assets and liabilities. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The following are the most significant accounting judgments and estimates made by the Corporation in applying accounting policies:

Judgments

(i) Revenue recognition

Revenue recognition for development lands requires judgment to determine when performance obligations are satisfied and transfer of control has passed to the purchaser. The Corporation reviews each contract and evaluates all the factors to determine the appropriate date to recognize revenue.

(ii) Consolidation

The Corporation applies judgment in determining control over certain limited partnerships based on a review of all contractual agreements to determine if the Corporation has control over the activities, projects, financial and operating policies of the limited partnerships.

(iii) Income taxes

The Corporation applies judgment in determining the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain due to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of the business, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to the provision for current and deferred taxes.

(iv) Net realizable value ("NRV")

NRV for land and housing projects held for development and sale is estimated with reference to market prices and conditions existing at the balance sheet date. This is determined by the Corporation having considered suitable external advice including independent real estate appraisers and recent market transactions of similar and adjacent lands and housing projects in the same geographic area.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Legal contingencies

The Corporation applies judgment as it relates to the outcome of legal proceedings to determine whether a provision and disclosure in the consolidated financial statements is required. Among the factors considered in making such judgments are the nature of litigation, claim or assessment, the legal process and potential level of damages, the progress of the case, the opinions or views of legal advisers and any decision of the Corporation's management as to how it will respond to the litigation, claim or assessment.

Estimates

(i) Provision for future development costs

Changes in estimated future development costs, which are generally provided by third party service providers, directly impact the amount recorded for the future development liability, cost of sales, gross margin and, in some cases, the value of real estate under development and held for sale. This liability is subject to uncertainty due to the long time frames involved, specifically in land development.

(ii) Reversal of write-down / Write-down of real estate held for development and sale

The Corporation estimates the NRV of real estate held for development and sale and investments in land development entities at least annually for impairment or whenever events or changes in circumstances indicate the carrying value may exceed NRV. The estimate is based on valuations conducted by independent real estate appraisers and other third-party advisors and is also based on housing projects and lot sales in the same geographic area.

(iii) Valuation of amounts receivable and vendor-take-back mortgage receivable

Amounts receivable are reviewed on a regular basis to estimate recoverability of balances. Any amounts becoming overdue and any known issues about the financial condition of debtors are taken into account when estimating recoverability.

(iv) Share-based compensation

The fair values of equity-settled share-based payments are estimated using the Black-Scholes options pricing model. These estimates are based on the Corporation's share price and on several assumptions, including the risk-free interest rate, the future forfeiture rate, time to expiry, and the expected volatility of the Corporation's share price. Accordingly, these estimates are subject to measurement uncertainty.

(v) Investments in land development entities

The fair value of investments in land development entities are based on the market approach method. This method uses prices and other relevant information that have been generated by market transactions involving identical or comparable assets or from external third-party appraisals.

3. STANDARDS AND AMENDMENTS TO EXISTING STANDARDS DURING 2022

The Corporation adopted no new IFRSs and interpretations during 2022.

4. NEW ACCOUNTING PRONOUNCEMENTS

There were no new accounting pronouncements or amendments to existing standards that impacted or are expected to impact the Corporation in 2022 and 2023.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

5. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

	Lots, Multi-family & Commercial Parcels	Land Held for Development	Home Building	Total	Limited Partnerships	Intra-segment Elimination	Consolidated Total
Gross book value							
As at December 31, 2021	41,892	151,852	28,870	222,614	9,564	(4,194)	227,984
Development activities	3,180	31,168	53,727	88,075	308	-	88,383
Transfer	41,791	(41,791)	-	-	-	-	-
Acquisitions	-	35,849	22,188	58,037	-	-	58,037
Sold	(41,212)	-	(56,279)	(97,491)	(6,763)	64	(104,190)
As at December 31, 2022	**45,651**	**177,078**	**48,506**	**271,235**	**3,109**	**(4,130)**	**270,214**
Provision for write-downs							
As at December 31, 2021	4,402	4,727	-	9,129	-	-	9,129
Sold	(3,512)	-	-	(3,512)	-	-	(3,512)
Transfer	1,841	(1,841)	-	-	-	-	-
Write-down / (reversal of write-down) of real estate held for development and sale	112	(1,198)	-	(1,086)	-	-	(1,086)
As at December 31, 2022	**2,843**	**1,688**	**-**	**4,531**	**-**	**-**	**4,531**
Net book value							
As at December 31, 2021	37,490	147,125	28,870	213,485	9,564	(4,194)	218,855
As at December 31, 2022	**42,808**	**175,390**	**48,506**	**266,704**	**3,109**	**(4,130)**	**265,683**

During the year ended December 31, 2022, the Corporation closed the sales of five parcels of development land for $15,991 (2021 - four parcels for $5,870). This included the sale of a 3.22-acre multi-family site for $3,589 to SHEA LP and the gross sale proceeds from the sale being used to purchase 50% of the units in SHEA LP by way of a capital contribution of $3,589 (note 8).

During the year ended December 31, 2022, the Corporation closed the acquisition of approximately 157 acres of future residential development land in the City of Calgary for $29,150 pursuant to a binding agreement entered into in 2021.

During the year ended December 31, 2022, the Corporation closed the acquisition of the 49% undivided interest in three parcels totaling 456 acres in North Conrich, on the eastern edge of Calgary, in Rocky View County from Genesis Limited Partnership #4 and Genesis Limited Partnership #5 (controlled entities within the consolidated entity) for $6,699. Genesis now owns 100% interest in these lands (see note 22 for additional information).

During the year ended December 31, 2022, the Corporation entered into a binding agreement to acquire 132 residential lots in the Calgary Metropolitan Area for $22,188. The Corporation paid non-refundable deposits of $6,277 with the balance of $15,911, due on closing which is scheduled between January 2023 and January 2025.

During the year ended December 31, 2022, interest of $822 (2021 - $166) was capitalized as a component of development activities.

During the year ended December 31, 2022, the Corporation recorded a net reversal of write-down of $1,086 related to write-downs previously taken on real estate held for development and sale. The reversal of the write-down was taken to reflect the estimated returns realizable on completion of development and sale of these lands (2021 - $4,268).

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

6. AMOUNTS RECEIVABLE

	2022	2021
Agreements receivable	**21,207**	12,135
Other receivables	**958**	1,497
	22,165	13,632

Agreements receivable for lot sales have various terms of repayment with purchasers generally having between 6 and 24 months to pay the balance owing for the purchased lots. On receipt of a minimum 15% non-refundable deposit and after agreed to services pertaining to the property have been substantially performed, the purchaser is deemed to have control over the lot and is permitted to start construction. In order to mitigate credit risk, the Corporation does not transfer title to sold residential lots until full payment is received (see note 21a). Certain agreements receivable and mortgages receivable, if any, are interest bearing.

7. INVESTMENTS IN LAND DEVELOPMENT ENTITIES

	Investment in land development limited partnership - 5% interest	**Investment in land development joint venture - 8% interest**	**Total**
As at December 31, 2021	1,890	4,280	6,170
Gain in Fair Value	340	220	560
As at December 31, 2022	**2,230**	**4,500**	**6,730**

	Investment in land development limited partnership - 5% interest	**Investment in land development joint venture - 8% interest**	**Total**
As at December 31, 2020	1,850	3,758	5,608
Gain in Fair Value	40	522	562
As at December 31, 2021	**1,890**	**4,280**	**6,170**

The fair value of investments in land development entities is based on the market approach method. Fair values were obtained from external third-party appraisals. This method uses prices and other relevant information that have been generated by market transactions involving identical or comparable assets. During the year ended December 31, 2022, the Corporation recorded $560 as a gain in investment in land development entities (2021 - $562).

8. JOINT VENTURE

The Corporation and a private company entered into a limited partnership agreement to form SHEA LP, for the purpose of acquiring, developing and renting certain real estate. The Corporation sold a 3.22-acre multi-family site for $3,589 to SHEA LP and used the gross sale proceeds to purchase 50% of the units in SHEA LP by way of a capital contribution of $3,589. The private company will contribute cash equity until it is equal with Genesis's contribution after which all future contributions will be 50/50.

SHEA LP is accounted for using the equity method with the Corporation's share of net assets being $3,588 at December 31, 2022 (December 31, 2021 - $Nil).

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

9. OTHER OPERATING ASSETS

	2022	2021
Deposits	**11,122**	6,676
Restricted Cash	**6,849**	5,992
Prepayments	**1,118**	589
Property, equipment and other	**1,590**	1,481
	20,679	14,738

Deposits include amounts paid by the Corporation towards the purchase of lots and land as well as amounts paid to development authorities as security to guarantee the completion of construction projects under development. Restricted cash includes funds held in trust related to acquisition and sale of development land and lots. The Corporation also provides letters of credit and surety bonds as security to guarantee the completion of certain construction projects (see note 20a for additional information).

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

10. LEASES

Right-of-Use Assets	Photocopiers	Office Building	Trucks	Showhomes Leaseback	Total
As at January 1, 2022	50	528	9	68	655
Additions	17	-	-	168	185
Depreciation charge for the year [1]	(20)	(102)	(9)	(147)	(278)
As at December 31, 2022	**47**	**426**	**-**	**89**	**562**
As at December 31, 2021	50	528	9	68	655

Lease Liabilities	Photocopiers	Office Building	Trucks	Showhomes Leaseback	Total
As at January 1, 2022	53	699	10	80	842
Additions	17	-	-	209	226
Lease payments	(22)	(63)	(10)	(174)	(269)
Interest for the year [1]	2	34	-	6	42
As at December 31, 2022	**50**	**670**	**-**	**121**	**841**
As at December 31, 2021	53	699	10	80	842

[1] Discount rate used ranged between 3.26% and 7.55%.

Lease Liabilities – undiscounted cash flows	Photocopiers	Office Building	Trucks	Showhomes Leaseback	Total
January 1, 2023 to December 31, 2023	26	178	-	106	310
January 1, 2024 to November 30, 2027	27	563	-	19	609
As at December 31, 2022	**53**	**741**	**-**	**125**	**919**
As at December 31, 2021	56	804	10	81	951

Amounts recognized in statements of comprehensive income	Photocopiers	Office Building	Trucks	Showhomes Leaseback	Total
Interest on lease liabilities	2	34	-	6	42
Total for the year ended December 31, 2022	**2**	**34**	**-**	**6**	**42**
Total for the year ended December 31, 2021	3	34	1	3	41

Amounts recognized in the statement of cash flows [2]	Photocopiers	Office Building	Trucks	Showhomes Leaseback	Total
Interest paid	2	34	-	6	42
Payment of lease liabilities	20	29	10	168	227
Total for the year ended December 31, 2022	**22**	**63**	**10**	**174**	**269**
Total for the year ended December 31, 2021	21	40	14	86	161

[2] These amounts are included in the line item "paid to suppliers and employees" in the consolidated statements of cash flows.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

11. INCOME TAXES

a) Income tax was recognized in the consolidated statements of comprehensive income as follows:

	2022	2021
Current income tax expense	**2,859**	2,191
Deferred income tax expense	**(1,231)**	1,184
Income tax expense	**1,628**	3,375

b) Income tax expense differed from that which would be expected from applying the combined statutory Canadian federal and provincial income tax rates of 23.00% (2021 - 23.00%) to earnings before income taxes. The difference resulted from the following:

	2022	2021
Earnings before income taxes	**6,017**	14,355
Statutory tax rate	**23.00%**	23.00%
Expected income tax expense	**1,384**	3,302
Share-based compensation	**235**	135
Other	**(27)**	(38)
Non-controlling interest	**36**	(24)
Tax expense for the year	**1,628**	3,375

c) The deferred tax assets of the Corporation were as follows:

	2022	2021
Deferred tax assets	**9,033**	7,672
Deferred tax liabilities	**(898)**	(768)
Net deferred tax assets	**8,135**	6,904

d) The components of the net deferred tax asset were as follows:

	2022	2021
Real estate held for development and sale	**5,756**	4,542
Reserves from land sales	**(612)**	(598)
Unamortized financing costs	**2,780**	2,810
Other temporary differences	**211**	150
Net deferred tax assets	**8,135**	6,904

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

12. LOAN AND CREDIT FACILITIES

	2022	2021
Secured by specific dedicated lands and a general corporate charge on all assets of the Corporation		
a) Corporate revolving credit facility up to $50,000 with a major Canadian financial institution at an interest rate per annum of prime +1.90%. Subsequent to December 31, 2022, in January 2023, the facility was extended and matures on February 1, 2026.	**25,626**	16,237
Secured by agreements receivable and real estate held for development and sale		
b) Demand land project servicing facilities from a major Canadian chartered bank, payable on collection of agreements receivable, bearing interest at prime +0.50% per annum, secured by real estate held for development and sale with a carrying value of $15,480. Loan amounts are due between May 12, 2024, and March 19, 2025.	**12,522**	5,794
c) Demand operating credit facility up to $21,500 from a major Canadian chartered bank, bearing interest at prime +0.50% per annum, secured by real estate held for development and sale with a carrying value of $44,345 and a corporate guarantee. Loan amount is due on October 27, 2025.	**20,198**	-
Secured by housing projects under development		
d) Demand operating credit facility up to $10,000 from a major Canadian chartered bank, bearing interest at prime +0.75% per annum, secured by a general security agreement over assets of the home building division. The facility was amended in January 2022 to increase from $6,500 to $10,000.	**7,364**	1,917
Secured by real estate held for development and sale		
e) The vendor-take-back facility bearing interest at 5% per annum was entered into on September 13, 2019 in partial payment for the purchase of approximately 130 acres of future residential development land in north Calgary. The final installment of $9,312 was paid in January 2022.	**-**	9,312
	65,710	33,260
Deferred fees on loan and credit facilities	**(653)**	(592)
	65,057	32,668

A lender has a general security agreement on all property of the Corporation and its subsidiaries, in addition to specific security mentioned above.

The weighted average interest rate of loan agreements with financial institutions was 7.52% (December 31, 2021 - 3.92%) based on December 31, 2022 balances.

During the year ended December 31, 2022, the Corporation received advances of $84,151 (2021 - $61,517) and made repayments of $42,389 (2021 - $40,416) relating to various loan facilities. These are secured by real estate held for development and sale, housing projects under development, specific dedicated lands and a general corporate charge on all assets of the Corporation. These loan facilities bear interest ranging from prime +0.50% to prime +1.90% per annum, with maturity dates ranging from May 12, 2024 to February 1, 2026. During the year ended December 31, 2022, the Corporation incurred interest expense of $2,027 directly related to these loans (2021 - $1,096).

The Corporation and its subsidiaries have various covenants in place with their lenders with respect to credit facilities including credit usage restrictions; cancellation, prepayment, confidentiality and cross default clauses; sales coverage requirements; conditions precedent for funding; and other terms such as, but not limited to, maintaining contracted lot prices, restrictions on encumbrances, liens and charges, material changes to project plans, and material changes in the Corporation's ownership structure. As at December 31, 2022 and 2021, the Corporation and its subsidiaries were in compliance with all loan covenants.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

12. LOAN AND CREDIT FACILITIES (continued)

Based on the contractual terms, the Corporation's loan and credit facilities are to be repaid within the following time periods (excluding deferred fees on loan and credit facilities):

January 1, 2023 to December 31, 2023	7,364
January 1, 2024 to December 31, 2024	8,522
January 1, 2025 to December 31, 2025	24,198
January 1, 2026 to December 31, 2026	25,626
	65,710

13. CUSTOMER DEPOSITS

	2022	2021
Customer deposits on residential home sales	**9,194**	5,588
Customer deposits on residential lot and development land sales	**6,559**	3,414
	15,753	9,002

Customer deposits are amounts received upon signing of contracts for purchases of residential homes, lots and development land on which revenue recognition criteria have not yet been met.

14. PROVISION FOR FUTURE DEVELOPMENT COSTS

The movement in the provision for future development costs is as follows:

	Land Development	**Home Building**	**Total**
As at December 31, 2021	15,096	2,883	17,979
Additions	9,927	12,607	22,534
Changes to estimates	(297)	113	(184)
Development activities	(4,621)	(11,674)	(16,295)
As at December 31, 2022	**20,105**	**3,929**	**24,034**

	Land Development	**Home Building**	**Total**
As at December 31, 2020	18,737	1,476	20,213
Additions	5,253	11,758	17,011
Changes to estimates	(67)	(416)	(483)
Development activities	(8,827)	(9,935)	(18,762)
As at December 31, 2021	**15,096**	**2,883**	**17,979**

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

15. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value, none issued.

b) Weighted average number of shares

The following table sets forth the weighted average number of common shares outstanding for the year ended December 31, 2022 and 2021:

	Year ended December 31,	
	2022	**2021**
Basic	**56,863,335**	44,642,895
Effect of dilutive securities - stock options	**-**	-
Diluted	**56,863,335**	44,642,895

In calculating diluted earnings per share for the year ended December 31, 2022, the Corporation excluded all options as all outstanding options were cancelled effective May 25, 2022. In calculating the diluted earnings for the year ended December 31, 2021, the Corporation excluded 855,000 options as their weighted exercise price was higher than the average market price of the Corporation's shares during the period.

Basic and diluted earnings per share and weighted average number of shares for prior periods have been recalculated to account for the impact of the Corporation's share issue pursuant to a rights offering that closed on December 17, 2021.

c) Normal course issuer bid ("NCIB")

The Corporation initiated an NCIB on December 14, 2022. The NCIB commenced on December 16, 2022 and will terminate on the earlier of: (i) December 15, 2023; and (ii) the date on which the maximum number of common shares are purchased pursuant to the bid. The Corporation may purchase for cancellation up to 2,843,166 common shares under the NCIB.

The prior NCIB, which expired on October 12, 2021, allowed the Corporation to purchase for cancellation up to 2,098,885 common shares.

No purchases were made under the NCIB during the year ended December 31, 2022 and 2021.

d) Dividends paid

Cash dividends of $8,530 ($0.15 per share) were declared and paid during the year ended December 31, 2022. No dividends were declared during the year ended December 31, 2021. Cash dividends of $6,280 ($0.15 per share), declared on December 9, 2020, were paid on January 11, 2021.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

16. SHARE-BASED COMPENSATION

a) Stock option plan

Share-based payments may be settled in cash or equity at the sole discretion of the Corporation and are accounted for as equity-settled plans. During the year ended December 31, 2022, 855,000 stock options with a weighted average exercise price of $3.31 were cancelled.

Details of stock options are as follows:

	Year ended December 31,			
	2022		2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of year	**855,000**	**$3.31**	2,535,000	$3.31
Options cancelled pursuant to revised long-term incentive plan	**(855,000)**	**$3.31**	(1,680,000)	$3.31
Outstanding - end of year	**-**	**-**	855,000	$3.31
Exercisable - end of year	**-**	**-**	641,250	$3.31

b) Deferred share unit plan ("DSU")

The Corporation's cash settled DSU plan provides for DSUs to be issued to directors and designated employees. DSUs are issued with various vesting terms, currently ranging from immediately vesting up to four years. Details of the number of outstanding DSUs are as follows:

	Year ended December 31,	
	2022	2021
Outstanding - beginning of year	**573,743**	354,258
DSUs granted	**491,317**	334,033
DSUs cancelled	**-**	(114,548)
Outstanding - end of year	**1,065,060**	573,743
Vested - end of year	**641,043**	115,490

The outstanding liability related to cash settled DSUs as at December 31, 2022 was $1,950 (December 31, 2021 - $947) and is recorded in accounts payable and accrued liabilities. DSUs are measured at fair value at each reporting period on a mark-to-market basis.

Subsequent to December 31, 2022, the Corporation granted 211,241 DSUs at $2.03 each.

c) Share-based compensation expense

Share-based compensation was recorded and included as a part of general and administrative expense and is comprised of the following:

	Year ended December 31,	
	2022	2021
Stock options	**18**	177
Deferred share units related to grants which are to be cash settled	**1,003**	410
Total share-based compensation expense	**1,021**	587

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

17. GENERAL AND ADMINISTRATIVE

The general and administrative expense of the Corporation consisted of the following:

	Years ended December 31,	
	2022	2021
Compensation and benefits	**9,499**	7,359
Share-based compensation	**1,021**	587
Corporate administration	**2,930**	2,291
Professional services	**1,336**	1,788
	14,786	12,025

Compensation and benefits of the directors and key management personnel, included in the general and administrative expenses above, were as follows:

	Years ended December 31,	
	2022	2021
Salaries, wages and benefits	**2,423**	2,112
Share-based compensation	**1,021**	587
	3,444	2,699

18. SELLING AND MARKETING

Selling and marketing expenses of the Corporation consisted of the following:

	Years ended December 31,	
	2022	2021
Advertising and marketing	**3,452**	3,114
Sales commissions	**2,363**	2,029
	5,815	5,143

19. FINANCE EXPENSE

Finance expense of the Corporation consisted of the following:

	Years ended December 31,	
	2022	2021
Interest incurred	**1,989**	479
Interest relating to VTB (note 12)	**105**	658
Financing fees amortized	**340**	249
Interest and financing fees capitalized (note 5)	**(822)**	(166)
	1,612	1,220

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

20. COMMITMENTS AND CONTINGENCIES

a) The Corporation has issued letters of credit and surety bonds pursuant to servicing agreements with municipalities to indemnify them in the event that the Corporation does not perform its contractual obligations. As at December 31, 2022, these amounted to $5,414 (December 31, 2021 - $7,747).

b) The Corporation is committed to pay levies and municipal fees relating to signed municipal agreements on commencement of development of certain real estate assets with the following future payments:

January 1, 2023 to December 31, 2023	7,475
January 1, 2024 to December 31, 2024	3,841
January 1, 2025 to December 31, 2025	800
	12,116

c) The Corporation has contracted to acquire 243 residential lots in the Calgary Metropolitan Area for $36,984 from third-party land developers. The Corporation has paid deposits totaling $6,609 with the remainder being payable as follows:

January 1, 2023 to December 31, 2023	7,401
January 1, 2024 to December 31, 2024	5,262
January 1, 2025 to December 31, 2025	17,531
January 1, 2026 to December 31, 2026	181
	30,375

d) The Corporation entered into an agreement to acquire approximately 160 acres of future residential development land in the southeast sector of the City of Calgary for $30,000. The Corporation has paid a non-refundable deposit of $3,300 with the balance due on closing which is scheduled for January 31, 2025. In addition, the Corporation has contracted to acquire approximately 3.56 acres of land for $663. The Corporation paid a deposit of $132, with the balance of $531 to be paid on closing, currently scheduled for Q2 2023.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

21. FINANCIAL INSTRUMENTS

The fair values of cash and cash equivalents, restricted cash, accounts payable and accrued liabilities approximate their carrying values as they are typically expected to be settled within twelve months. The fair value of deposits approximates their carrying value as the terms of deposits are comparable to the market terms for similar instruments.

The fair values of the Corporation's loan and credit facilities, amounts receivable and vendor-take-back mortgage receivable were estimated based on current market rates for loans of the same risk and maturities.

The fair value of investments in land development entities are based on the market approach method. This method uses prices and other relevant information that have been generated by market transactions involving identical or comparable assets.

Fair value measurements recognized in the consolidated balance sheets are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values. The three fair value hierarchy levels are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The Corporation's current financial assets are measured at amortized cost or fair value through profit and loss ("FVTPL"). The estimated fair value of financial assets and liabilities measured at FVTPL as at December 31, 2022 and December 31, 2021 are presented in the following table:

			Carrying Value		Fair Value	
	Fair Value Hierarchy	**Measurement Basis**	**As at Dec. 31, 2022**	**As at Dec. 31, 2021**	**As at Dec. 31, 2022**	**As at Dec. 31, 2021**
Financial Assets						
Cash	Level 1	FVTPL	**36,598**	63,975	**36,598**	63,975
Investments in land development entities	Level 3	FVTPL	**6,730**	6,170	**6,730**	6,170
Restricted cash (1)	Level 1	FVTPL	**6,849**	5,992	**6,849**	5,992
Financial Liabilities						
Cash settled DSUs	Level 1	FVTPL	**1,950**	947	**1,950**	947

(1) Included in other operating assets.

During the year ended December 31, 2022 and 2021, no transfers were made between the levels in the fair value hierarchy.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

21. FINANCIAL INSTRUMENTS (continued)

a) Risks associated with financial instruments

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The financial assets that are exposed to credit risk consist of cash and cash equivalents, restricted cash and amounts receivable. The Corporation's cash is held in bank accounts with major Canadian chartered banks. Restricted cash amounts are held in trust by reputable law firms.

The Corporation recognizes bad debt expense (or recovery) relating to amounts receivable on sold lots, net of the value of the related sold lots which are taken back into the Corporation's lot inventory on the termination of the relevant agreement. Termination could occur when the buyer fails to perform or observe terms of covenants of the relevant agreement. Agreements receivable for lot sales have various terms of repayment with purchasers generally having between 6 and 24 months to pay the balance owing for the purchased lots.

Recovery of bad debt expense is included in the Corporation's general and administrative expenses. In order to mitigate credit risk, the Corporation does not transfer title to sold residential lots until full payment is received. Individual balances due from customers as at December 31, 2022, which comprise greater than 10% of total amounts receivable, totaled $21,207 from two customers (December 31, 2021 - $12,135 from three customers).

Aging of amounts receivable, none of which are past due, was as follows:

	2022	2021
Due on sold lots	**21,207**	12,135
Other receivables	**958**	1,497
	22,165	13,632

(ii) Liquidity risk

The contractual maturities of financial liabilities and other commitments as at December 31, 2022 were as follows:

	<1 Year	**>1 Year**	**Total**
Financial liabilities			
Accounts payable and accrued liabilities	12,470	-	12,470
Accounts payable related to residential lot purchases	13,036	4,908	17,944
Loan and credit facilities excl. deferred fees on loan and credit facilities (note 12)	7,364	58,346	65,710
	32,870	63,254	96,124
Commitments			
Lease obligations (including variable operating costs)	547	1,361	1,908
Land and lot purchase contracts (note 20c and note 20d)	7,932	49,674	57,606
Levies and municipal fees (note 20b)	7,475	4,641	12,116
	15,954	55,676	71,630
	48,824	**118,930**	**167,754**

As at December 31, 2022, the Corporation had obligations due within the next 12 months of $48,824 (December 31, 2021 - $74,758). Based on the Corporation's operating history, its relationship with its lenders and committed sales contracts, management believes that the Corporation has the ability to continue to renew or repay its financial obligations as they come due. During the year ended December 31, 2022, the Corporation's operating line of credit facility was increased from $6,500 to $10,000 (note12d) and the corporate revolving line of credit was extended until February 2026 (note 12a). The Corporation also put in place a demand operating credit facility of $21,500 (note 12c).

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

21. FINANCIAL INSTRUMENTS (continued)

(iii) Market risk

The Corporation is exposed to interest rate risk to the extent that certain agreements receivable and certain loan and credit facilities are at a floating rate of interest. A 1% change in interest rates would result in a change in interest incurred of approximately $657 annually on floating rate facilities (2021 - $239).

b) Capital management

The Corporation's policy is to maintain a sufficient capital base in order to retain investor, creditor and market confidence and to sustain the future development of the business. The Corporation is in compliance with all externally imposed capital requirements.

The Corporation manages its capital structure and makes adjustments to it in light of changes in regional economic conditions and the risk characteristics of the underlying real estate industry within that region.

The Corporation considered its capital structure at the following dates to specifically include:

	2022	2021
Loan and credit facilities (note 12)	**65,057**	32,668
Shareholders' equity	**224,632**	228,624
	289,689	261,292

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

22. SEGMENTED INFORMATION

The income producing business units of the Corporation reported the following activities for the year ended December 31, 2022 and 2021:

	Land Development Segment				Home Building Segment	Intersegment Elimination	Total
Year ended December 31, 2022	**Genesis**	**LP**	**Intrasegment Elimination**	**Total**			
Revenues	40,564	75	-	40,639	100,680	(16,953)	**124,366**
Revenues - development lands	15,991	6,699	(6,699)	15,991	-	-	**15,991**
Direct cost of sales	(47,489)	(6,763)	6,763	(47,489)	(83,749)	16,953	**(114,285)**
Reversal of write-down of real estate held for development and sale	1,086	-	-	1,086	-	-	**1,086**
Gross margin	10,152	11	64	10,227	16,931	-	**27,158**
Gain in investments in land development entities	560	-	-	560	-	-	**560**
G&A, selling & marketing and net finance expense or income	(8,919)	(142)	-	(9,061)	(12,640)	-	**(21,701)**
Earnings (loss) before income taxes and non-controlling interest	1,793	(131)	64	1,726	4,291	-	**6,017**
Segmented assets as at December 31, 2022	302,477	3,701	(4,495)	301,683	64,777	(2,320)	**364,140**
Segmented liabilities as at December 31, 2022 (1), (2)	95,658	996	(365)	96,289	42,834	(2,320)	**136,803**
Segmented net assets as at December 31, 2022 (1), (2)	206,819	2,705	(4,130)	205,394	21,943	-	**227,337**

	Land Development Segment				Home Building Segment	Intersegment Elimination	Total
Year ended December 31, 2021	**Genesis**	**LP**	**Intrasegment Elimination**	**Total**			
Revenues	41,076	203	(184)	41,095	92,416	(29,620)	**103,891**
Revenues - development lands	4,945	925	-	5,870	-	-	**5,870**
Direct cost of sales	(30,771)	(845)	-	(31,616)	(80,190)	29,620	**(82,186)**
Reversal of write-down of real estate held for development and sale	4,268	-	-	4,268	-	-	**4,268**
Gross margin	19,518	283	(184)	19,617	12,226	-	**31,843**
Gain in investments in land development entities	562	-	-	562	-	-	**562**
G&A, selling & marketing and net finance expense or income	(8,142)	(180)	184	(8,138)	(9,912)	-	**(18,050)**
Earnings before income taxes and non-controlling interest	11,938	103	-	12,041	2,314	-	**14,355**
Segmented assets as at December 31, 2021	276,751	13,895	(6,482)	284,164	39,527	1,238	**324,929**
Segmented liabilities as at December 31, 2021 (1), (2)	62,653	6,609	(2,288)	66,974	20,779	1,238	**88,991**
Segmented net assets as at December 31, 2021 (1), (2)	214,098	7,286	(4,194)	217,190	18,748	-	**235,938**

(1) *Segmented liabilities under the Genesis home building segment include $61 due to the land development segment (December 31, 2021 - $3,113 due from the land development segment to the home building segment).*

(2) *Segmented liabilities under the LP segment is comprised of accounts payable and accrued liabilities and includes $365 (December 31, 2021 -$2,288) due to Genesis.*

23. RELATED PARTY TRANSACTIONS

Transactions occurred with the following related parties:

a) In 2005, the Corporation sold a 49% undivided interest in approximately 610 acres to Genesis Limited Partnership #4 and GLP5 NE Calgary Development Inc. for $7,670. These entities are part of LP 4/5 group and are consolidated in the Corporation's financial statements (note 24). A margin of $4,194 was deferred at that point and would have been recognized when the lands were sold to a third-party. In July 2022, the Corporation repurchased from LP4/5 group their 49% undivided interest in 456 acres of land for $6,699 with LP4/5 group still owning a 49% undivided interest in the remaining 154 acres of land. The cash proceeds were $5,038 with the remainder of $1,661 being applied against debt owed to the Corporation by LP4/5 group. The margin deferred on completion of the repurchase was $4,130 and will be recognized when the lands are sold to a third party.

b) The Corporation and a private company entered into a Limited Partnership, SHEA LP to develop a two-building purpose built rental project containing approximately 300 units in the Corporation's Sage Hill Crest community. The Corporation and the private company each own 50% of the units in SHEA LP (49% directly and 1% though the general partner Sage Hill Estates Apartments GP Inc.). See note 8 for additional information.

24. CONSOLIDATED ENTITIES

The Statements include the accounts of the Corporation and its wholly-owned subsidiaries, as well as the consolidated revenues, expenses, assets, liabilities and cash flows of limited partnership entities that the Corporation controls. The Corporation has less than 50% equity ownership in these limited partnership entities; however, the Corporation has control over these entities' activities, projects, financial and operating policies due to contractual arrangements. As such, the relationship between the Corporation and the limited partnership entities indicates that they are controlled by the Corporation. Accordingly, the accounts of the limited partnerships have been consolidated in the Corporation's financial statements.

Genesis Limited Partnership #8 and Genesis Limited Partnership #9, part of the LP8/9 group, paid a final distribution to their unit holders during the year ended December 31, 2021. Genesis held 53.63% equity interest in Genesis Limited Partnership#8. The LP 8/9 Group entities no longer have any assets or liabilities and have been wound up. The entities are no longer being consolidated effective January 1, 2022.

LPLP 2007 is a limited partnership controlled by the Corporation. This limited partnership no longer has any real estate assets and is in the process of distributing all remaining cash, held in trust, to the limited partners following which it will be wound up.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

24. CONSOLIDATED ENTITIES (continued)

All entities are incorporated in Canada and are listed in the following table:

	% equity interest as at	
Name	**December 31, 2022**	**December 31, 2021**
Land Development		
Genpol Inc.	100%	100%
Genpol LP	100%	100%
1504431 Alberta Ltd.	0.0002%	0.0002%
Genesis Sage Meadows Partnership	99.9998%	99.9998%
Genesis Land Development (Southeast) Corp.	100%	100%
Genesis Keystone Ltd.	100%	100%
Polar Hedge Enhanced Income Trust	100%	100%
Genesis Land Development (Ricardo Ranch) Corp.	100%	100%
Sage Hill Crest Apartments Corp.	100%	100%
Siseneg Holding Inc.	100%	-
GLDC Management Inc.	100%	-
Lewiston Lands Limited Partnership (2)	100%	-
Lewiston Lands GP Inc.	100%	-
Home Building		
Genesis Builders Group Inc.	100%	100%
The Breeze Inc.	100%	100%
Joint Venture		
Sage Hill Estates Apartments LP	49%	49%
Sage Hill Estates Apartments GP Inc.	2%	2%
Kinwood Communities Inc.	50%	50%
Limited Partnerships		
LP 4/5 Group		
Genesis Limited Partnership #4 (1)	0.001%	0.001%
Genesis Limited Partnership #5, GLP5 GP Inc., GLP5 NE Calgary Development Inc.	0%	0%
Genesis Northeast Calgary Ltd.	100%	100%
LP 8/9 Group		
Genesis Limited Partnership #8 (1)	-	53.63%
Genesis Limited Partnership #9, GP GLP9 Inc., GLP9 Subco Inc.	-	0%
GP GLP8 Inc.	-	100%
LPLP 2007 Group		
Limited Partnership Land Pool (2007)	0.023%	0.023%
GP LPLP 2007 Inc.	100%	100%
GP RRSP 2007 Inc., LPLP 2007 Subco Inc.	0%	0%
LPLP 2007 Subco #2 Inc., LP RRSP Limited Partnership #1	0%	0%
LP RRSP Limited Partnership #2	0%	0%

(1) The allocation of profit or loss is 0% in accordance with the terms of the limited partnership agreement.
(2) During the year ended December 31, 2022, the Corporation sold approximately 130 acres to Lewiston Lands Limited Partnership ("LLLP") for $42,830. 100% of LLLP was owned by Genesis Land Development Corporation at December 31, 2022. This transaction was eliminated on consolidation.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

24. CONSOLIDATED ENTITIES (continued)

The following tables summarize the information relating to the Corporation's subsidiaries that have material non-controlling interests and may include inter-group balances that are eliminated on consolidation and become a component of the net non-controlling interest:

BALANCE SHEETS

	December 31, 2022			
	LP 4/5	LP 8/9	LPLP 2007	Total
Assets				
Real estate held for development and sale	3,109	-	-	**3,109**
Other operating assets including restricted cash	22	-	532	**554**
Cash and cash equivalents	-	-	38	**38**
Total assets	3,131	-	570	**3,701**
Liabilities				
Accounts payable and accrued liabilities	98	-	533	**631**
Due to related parties	328	-	37	**365**
Total liabilities	426	-	570	**996**
Net assets	2,705	-	-	**2,705**
Non-controlling interest (%)	100%	0%	100%	

	December 31, 2021			
	LP 4/5	LP 8/9	LPLP 2007	Total
Assets				
Real estate held for development and sale	9,564	-	-	**9,564**
Amounts receivable	-	-	6	**6**
Due from related parties	-	45	51	**96**
Other operating assets including restricted cash	-	-	4,198	**4,198**
Cash and cash equivalents	-	-	31	**31**
Total assets	9,564	45	4,286	**13,895**
Liabilities				
Accounts payable and accrued liabilities	3	45	4,273	**4,321**
Due to related parties	2,288	-	-	**2,288**
Total liabilities	2,291	45	4,273	**6,609**
Net assets	7,273	-	13	**7,286**
Non-controlling interest (%)	100%	100%	100%	

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

24. CONSOLIDATED ENTITIES (continued)

SUMMARIZED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31, 2022			
	LP 4/5	**LP 8/9**	**LPLP 2007**	**Total**
Revenues	6,713	-	61	**6,774**
Net (loss)	(131)	-	-	**(131)**
Non-controlling interest (%)	100%	n/a	100%	

	Year ended December 31, 2021			
	LP 4/5	**LP 8/9**	**LPLP 2007**	**Total**
Revenues	19	1,109	-	**1,128**
Net (loss) / earnings	(184)	211	76	**103**
Non-controlling interest (%)	100%	100%	100%	

SUMMARIZED STATEMENT OF CASH FLOWS

	Year ended December 31, 2022			
	LP 4/5	**LP 8/9**	**LPLP 2007**	**Total**
Cash flows from operating activities	-	-	7	**7**
Net increase in cash and cash equivalents	-	-	7	**7**

	Year ended December 31, 2021			
	LP 4/5	**LP 8/9**	**LPLP 2007**	**Total**
Cash flows (used in) / from operating activities	-	(13)	90	**77**
Cash flows used in financing activities	-	-	(74)	**(74)**
Net (decrease) / increase in cash and cash equivalents	-	(13)	16	**3**

OFFICERS

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President and CEO

WAYNE KING
Chief Financial Officer

PARVESHINDERA SIDHU
President, Genesis Builders Group Inc. and Senior Vice-President, Home Building of Genesis Land Development Corp.

BRIAN WHITWELL
Senior Vice-President, Asset Management

ARNIE STEFANIUK
Vice-President, Regional Planning

BRENDAN McCASHIN
Vice-President, Land Development

DIRECTORS

STEPHEN J. GRIGGS
Chair

STEVEN GLOVER
Lead Director

MARK W. MITCHELL
Director

LOUDON OWEN
Director

IAIN STEWART
Director

CALVIN YOUNGER
Director

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