2023 ANNUAL REPORT

GENESIS LAND DEVELOPMENT CORP.

GENESIS

Creating tomorrows


Creating tomorrows


Bayview
AIRDRIE

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Huxley
E CALGARY

Message from the PRESIDENT & CEO

Genesis is pleased to report after tax earnings of $15 million for 2023 ($0.26 per share), with our home building division contributing earnings of $14 million and the balance contributed by our land development division. This marks the 23rd consecutive year of positive earnings. Annual revenue increased to $203 million, almost double the trailing five-year average of $125 million. Revenue and earnings were driven by 286 home sales, 305 lot sales and 14 acres of multi-family and commercial land parcel sales.

Genesis has been building a platform to support long term growth over the last few years. Key components of this platform include:

- Strategically acquiring land positions in the Calgary Metropolitan Area (CMA);
- Steadily growing our home building operations, to take advantage of economies of scale;
- Continued focus on quality and safety in all of our operations;
- Enhancing an already strong culture and leadership team; and
- Capitalizing on our land development expertise and redeploying capital through the creation of property development limited partnerships.

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

As illustrated above, 2023 was a watershed year for Genesis, resulting from the foundation laid in prior years. The success from this foundation is now evident and will help propel Genesis in a resilient CMA market for years to come. Through 2023, much of the increase in earnings and revenues is attributable to the expansion of Genesis' home building business, with increased sales coming from nine communities and new home orders exceeding 300 for the first time. The company enters 2024 with an order book of 247 firm sales contracts, up from 205 at the start of 2023.

Genesis' land development group is also experiencing rapid growth. Genesis commenced the development of three new communities in 2023, Genesis' first new community developments since 2011. $69 million was invested in our communities in 2023, creating 288 new residential lots and 6.5 acres of multifamily and commercial land parcels. Our inventory of lots and land parcels will continue to increase as we progress our three new communities in the coming years. Increasing land revenues takes considerable time and investment as projects must go through extensive municipal approval processes and approximately 18 months of land development before revenues begin to be realized. Lot sales from these new communities are expected in 2024.

Genesis acquires land strategically and opportunistically ensuring Genesis has a significant and balanced land supply in the CMA over the next ten to twenty years. In 2023, Genesis invested $27 million to acquire an additional 485 acres of future development lands. Since 2018, Genesis has invested over $123 million in the acquisition of future development lands.

Further, 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 operator 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 $32 million of cash for Genesis.

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 operator, creating a fee based income stream and having quality builders as partners and likely buyers of a large number of lots.

Our team has been strengthened with the recruiting and onboarding of a new CFO, Rob Sekhon, who rounds out our executive team. Rob is a CPA, CA with a strong track record and increasing levels of responsibility over a 20 year career. Rob joined Genesis in September 2023 and his calm and thoughtful approach is already benefiting Genesis. Rob's addition to the team comes in anticipation of Wayne King's retirement and frees Wayne up to lead a project upgrading and ensuring our management information systems are adapting to new technologies and protected from cyber risks. I look forward to Rob's increasing contributions as Genesis executes its growth business plan.

Finally, I want to express a deep sense of gratitude to 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 – I feel fortunate that I get to work with all of these people. The growth platform created through the efforts of the last several years is a testament to the entire team.

IAIN STEWART
President and Chief Executive Officer

Genesis Projects & COMMUNITIES

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BAYSIDE

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BAYVIEW

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HUXLEY

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LEWISTON

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LOGAN LANDING

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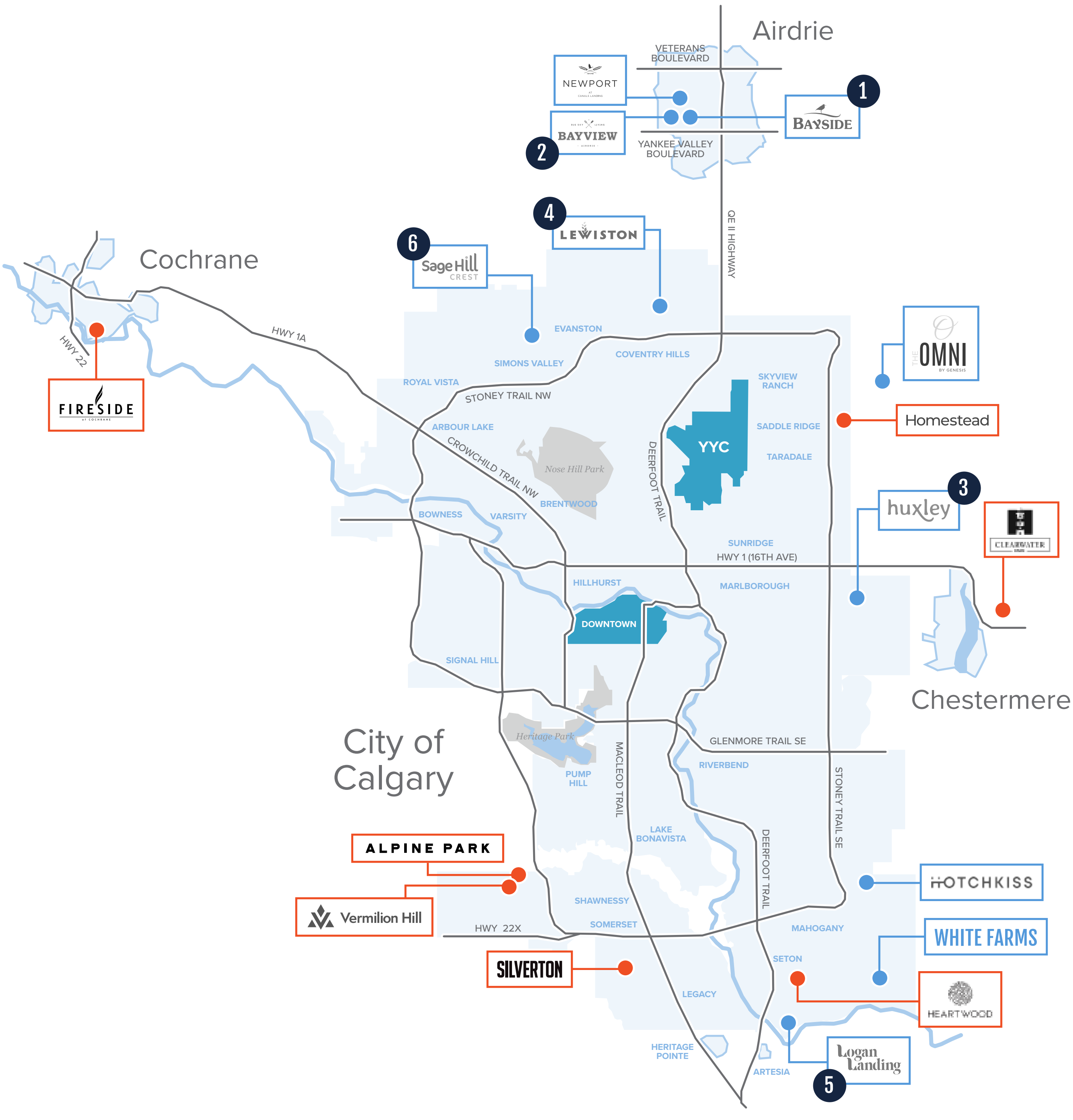
SAGE HILL CREST



Genesis Projects & Communities

Non-Genesis Communities - Genesis Home Sales Activities

Airdrie
DRIVE-IN MOVIE

Community INVOLVEMENT

AIRDRIE

Genesis Place

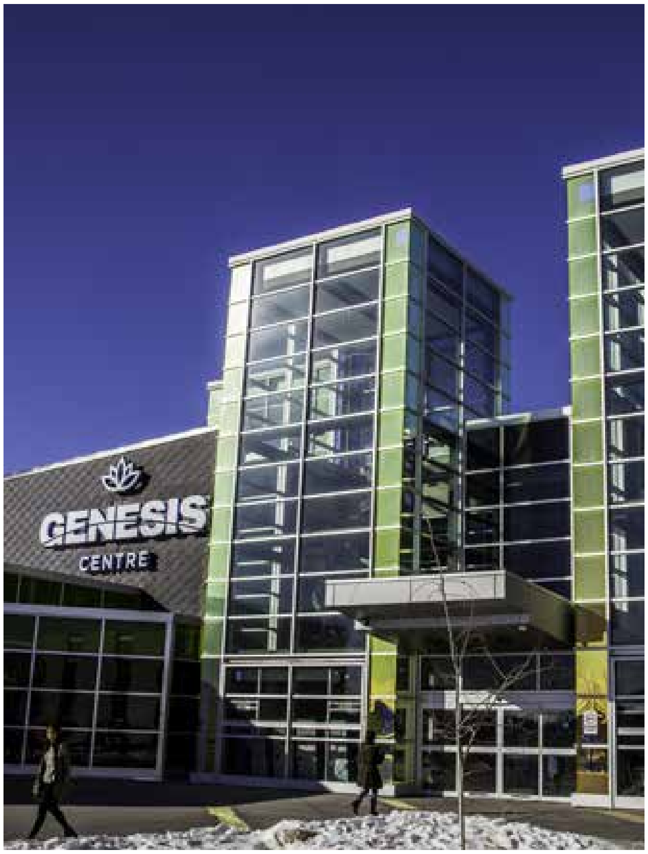
Genesis Place, the amazing recreation facility in Airdrie, acts as a gathering place, hub of activity and true heart of the community. We are proud of our commitment and on-going support of Genesis Place and what it means to the quality of life for the community of Airdrie.

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 saw the opportunity to support and provide some funding for 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.



Genesis Builders
SHOW HOMES


FIRESIDE


HOMESTEAD


FIRESIDE


HOMESTEAD


FIRESIDE


SILVERTON


SILVERTON


VERMILION HILL


BAYVIEW


BAYSIDE


FIRESIDE


SILVERTON


ALPINE PARK


BAYSIDE


Lewiston
N CALGARY

Management's Discussion AND ANALYSIS

FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2023

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, 2023 and 2022, 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 three independent directors, 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.sedarplus.com.

All amounts are in thousands of Canadian dollars, except per share amounts or unless otherwise noted. This MD&A is dated as of March 6, 2024.

STRATEGY AND 2023 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.

Genesis acquires land strategically and opportunistically ensuring Genesis has a significant and balanced land supply in the CMA over the next ten to twenty years. Genesis may realize some of the value created through the land approval process by providing opportunities for industry partners to participate in the final development of communities on the land.

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:

- ***$203,312 of Revenues in year-end ("YE") 2023:*** Genesis generated revenues of $203,312 in YE 2023 up from $140,357 achieved in YE 2022. Fourth quarter ("**Q4**") 2023 revenues of $71,602 were higher when compared to $54,157 generated in Q4 2022.

- ***Net Earnings in YE 2023 were $14,512:*** Net earnings were positive for the 23rd consecutive year with net earnings attributable to equity shareholders in YE 2023 of $14,512 ($0.26 net earnings per share - basic and diluted), compared to $4,520 ($0.08 net earnings per share - basic and diluted) in YE 2022. Net earnings attributable to equity shareholders in Q4 2023 were $8,056 ($0.15 net earnings per share - basic and diluted) compared to $3,062 ($0.05 net earnings per share - basic and diluted) in Q4 2022.

- ***305 Lots Sold:*** In YE 2023, Genesis sold 305 residential lots (118 to third-party builders and 187 through its home building division, GBG), an increase of 29% from 236 lots in YE 2022 (144 to third-party builders and 92 through GBG). In Q4 2023, Genesis sold 95 residential lots (42 to third-party builders and 53 through GBG) compared to 106 lots in Q4 2022 (84 to third-party builders and 22 through GBG).

- ***286 Homes Sold:*** In YE 2023, Genesis sold a record 286 homes, an increase of 69% from the 169 sold in YE 2022. In Q4 2023, Genesis sold 86 homes, compared to 57 sold in Q4 2022. During YE 2023, Genesis had 328 new home orders compared to 233 for YE 2022. Genesis had 247 outstanding new home orders on hand at December 31, 2023 (205 at December 31, 2022).

- ***$16,200 of Development Land Sales:*** In YE 2023, Genesis sold four development land parcels for $16,200 versus five parcels for $15,991 in YE 2022. Genesis sold three development land parcels for $11,958 in Q4 2023 versus two parcels for $6,338 in Q4 2022.

- ***Cash on Hand of $37,546:*** On December 31, 2023, Genesis had $37,546 in cash and cash equivalents.

- ***Dividends of $0.17 per share in 2023:*** Total cash dividends of $9,663 ($0.17 per share) were paid during the year ended December 31, 2023 of which $0.085 was declared and paid in Q4 2023.

- ***Land Acquisitions:*** In Q4 2023, Genesis closed the acquisition of 460 acres of future residential development land in the southeast sector of the City of Calgary for $25,842.

- ***Lewiston Lands Limited Partnership ("LLLP"):*** During the year ended December 31, 2023, 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 total proceeds of $19,760, being $11,760 cash with the balance being the assumption of debt by the purchasers.

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] 2023	Three months ended December 31, [1] 2022	Year ended December 31, [2] 2023	Year ended December 31, [2] 2022
Key Financial Data				
Total revenues	**71,602**	54,157	**203,312**	140,357
Direct cost of sales	**(54,862)**	(45,487)	**(157,481)**	(114,285)
Gross margin before reversal of write-down [3]	**16,740**	8,670	**45,831**	26,072
Gross margin before reversal of write-down (%) [3]	**23.4%**	16.0%	**22.5%**	18.6%
Gross margin	**17,440**	9,756	**46,531**	27,158
Net earnings attributable to equity shareholders	**8,056**	3,062	**14,512**	4,520
Net earnings per share - basic and diluted	**0.15**	0.05	**0.26**	0.08
Dividends declared and paid	**4,830**	4,265	**9,663**	8,530
Dividends declared and paid - per share	**0.085**	0.075	**0.17**	0.15
Key Operating Data				
Land Development				
Total residential lots sold (units)	**95**	106	**305**	236
Residential lot revenues	**14,675**	18,015	**45,863**	40,639
Gross margin before reversal of write-down [3]	**3,441**	3,808	**8,712**	8,113
Gross margin before reversal of write-down (%) [3]	**23.4%**	21.1%	**19.0%**	20.0%
Gross margin on residential lots sold	**4,141**	3,808	**9,412**	8,113
Average revenue per lot sold	**154**	170	**150**	172
Development land revenues	**11,958**	6,338	**16,200**	15,991
Home Building				
Homes sold (units)	**86**	57	**286**	169
Revenues [4]	**52,230**	33,799	**167,126**	100,680
Gross margin on homes sold	**12,603**	4,783	**36,423**	16,931
Gross margin on homes sold (%)	**24.1%**	14.2%	**21.8%**	16.8%
Average revenue per home sold	**607**	593	**584**	596
New home orders (units)	**50**	31	**328**	233
Outstanding new home orders at period end (units)			**247**	205

Key Balance Sheet Data	As at Dec. 31, 2023 [2]	As at Dec. 31, 2022 [2]
Cash and cash equivalents	**37,546**	36,598
Total assets	**440,083**	364,140
Loan and credit facilities	**103,587**	65,057
Total liabilities	**198,942**	136,803
Shareholders' equity	**231,142**	224,632
Total equity	**241,141**	227,337
Loan and credit facilities to total assets	**24%**	18%

(1) Three months ended December 31, 2023 and 2022 ("Q4 2023"" and "Q4 2022")
(2) Year ended December 31, 2023 and 2022 ("YE 2023" and "YE 2022")
(3) Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A. There was a reversal of write-down of $700 related to write-downs previously taken on real estate held for development and sale in Q4 2023 and YE 2023 (2022 - $1,086)
(4) Includes other revenues and revenues of $7,261 for 53 lots in Q4 2023 and $25,877 for 187 lots in YE 2023 purchased by the Home Building division from the Land Development division ($3,995 and 22 in Q4 2022; $16,953 and 92 in YE 2022) 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 Royal Bank of Canada estimates Alberta's 2023 GDP growth to be the highest in Canada at 2.2% and to remain near the top of their growth rankings in 2024 at an estimated 1.7%. While economic growth is expected to slow with persistently high inflation and interest rates, Alberta is expected to benefit from higher commodity prices and strong international and interprovincial migration which is expected to help offset the impact on the economy and housing market in 2024.

According to the Calgary Real Estate Board ("CREB"), 2023 residential home sales remained robust largely due to strong migration levels. Housing supply levels were low in 2023 compared to the demand throughout the year, resulting in stronger than expected price growth.

Overall sales in Calgary were 27,416, 8% lower than the peak in 2022 but still higher than long-term trends and activity reported prior to 2020. Home inventory levels remained low at 3,071, a 26% decrease from December 2022. Months of supply remained below two months throughout 2023, and at 1.34 months is indicative of a sellers' market. These persistently tight conditions contributed to an increase of approximately 6% in benchmark prices in Calgary during the year. Although price growth was slower in 2023 than the 12% growth in 2022, housing prices remained relatively strong in 2023 compared to other markets in Canada. In neighboring Airdrie, where Genesis has two active projects, supply improved in 2023 but continues to remain historically low.

2023 Business Plan

Progress on 2023 Business Plan

During 2023, Genesis continued to execute its growth business plan. Genesis achieved some significant milestones in 2022 with the removal of Growth Management Overlays ("GMOs"), and in 2023 with receiving final development approvals enabling Genesis to proceed with development of its Lewiston, Logan Landing and Huxley communities in 2023.

Growth also continues for GBG which is now building in 10 communities in the CMA. In 2023, GBG contracted to acquire 136 lots in the CMA from third party developers in the communities of Alpine Park, Fireside, Heartwood and Vermillion Hill. GBG is currently building in seven third party communities, namely Alpine Park, Clearwater, Fireside, Heartwood, Homestead, Silverton and Vermilion Hill. As of December 31, 2023, GBG had outstanding contracts to purchase 433 lots. GBG has 143 new home orders on these lots.

The following describes progress made on key elements of the growth plan.

1) Obtaining Additional Zoning and Servicing Entitlements

Genesis has made substantial progress in obtaining additional zoning and servicing entitlements for land in recent months. 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 development 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 approvals were received from Council in Q2 2023. Final pre-development approvals have been received and servicing of the site commenced in Q3 2023.
- Lewiston: Genesis acquired 130 acres of residential development land in north Calgary in 2019. Outline Plan and Land Use Applications approvals were received from Council in November 2022. Phase 1 Tentative Plan and engineering drawings have been approved and Genesis commenced servicing in Q2 2023.
- Huxley (Belvedere): In Q3 2023 Genesis received Outline Plan and Land Use approval from the City of Calgary for the 157 acres it acquired in 2022, in the Belvedere ASP. Final approvals for site servicing were received in October 2023 and Genesis commenced site grading in Q4 2023.

The following project is progressing through approval process at Rocky View County ("County"):

OMNI ASP (in North Conrich): Genesis has received ASP approval on a 185-acre commercial and retail project on a portion of the 610 acres of undeveloped land that Genesis controls in the County bordering the northeast quadrant of the City of Calgary. Progress continues with the County on the approval of a conceptual scheme for this project, with first reading received in September 2022. Approval is anticipated in the first quarter of 2024. Genesis and the County have successfully worked with Alberta Transportation to finalize plans and funding arrangements for an interchange at Stoney and Airport Trails with construction planned to start in the third quarter of 2024. Funding is in place and design of the interchange is currently proceeding. Once completed, this interchange will provide primary transportation access to these lands.

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.

During 2023, Genesis completed the sales of three development land parcels in the City of Calgary; a 3.34-acre parcel for cash consideration of $4,242, a 4.10-acre parcel for cash consideration of $5,329 and a 2.91-acre parcel for $3,929 for a cash consideration of $1,965 and the remainder being in the form of a vendor-take-back ("VTB") mortgage receivable of $1,964, and closed the sale of 3.60-acre parcel in the City of Airdrie for cash consideration of $2,700.

3) Servicing Additional Phases

Genesis commenced servicing in three new communities and a new phase in an existing community in 2023:

- Lewiston: Servicing of the first phase in this north Calgary community will add 184 single-family lots. Shallow utility installation commenced in Q4 2023. Lots became available to builders in Q2 2023 and are expected to be fully serviced in 2024. GBG and two third parties (each with a 20% ownership interest) will be the home builders in this phase;
- Logan Landing: Servicing of the first phase in this southeast Calgary community will add 266 single-family lots. Surface construction commenced in Q4 2023. Lots are expected to be fully serviced in 2024. GBG and three third parties will be the home builders in this phase;
- Huxley: Servicing of this east Calgary community will add 1,368 single-family lots. Site earthworks have commenced with servicing expected to commence in Spring 2024. It is intended that GBG and two third parties will be the home builders in this phase; and
- Bayview: Bayview phase 6 in Airdrie will add 225 single-family lots. Shallow utility installation commenced in Q4 2023. Lots became available to builders in Q3 2023 and are expected to be fully serviced in 2024. GBG and two third parties will be the home builders in this phase.

4) Investing in Additional Lands

During Q1 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. Refer to heading "*Related Party Transactions*" in this MD&A for additional information. 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%.

During Q4 2023, Genesis closed the acquisition of 460 acres of future residential development land in the southeast sector of the City of Calgary for $25,842. Total cash payments of $7,754 were made by the closing date, and the remaining balance of $18,088 being in the form of a VTB mortgage payable which is to be paid over four years in equal installments of $4,522. The first payment is due in November 2024.

Building and selling homes in communities developed by other parties is a key strategy adopted in 2020 to drive growth and profitability in Genesis' home building division. GBG is now active in ten communities, seven of which are third party communities. Since 2020 GBG has acquired 613 third party lots of which 136 were acquired in 2023.

5) Land Development Partnerships

Genesis considers establishing land partnerships when a new community has received full municipal approvals. Partners are usually other home builders selected carefully, to add value to the execution of the community's development program.

During Q1 2023, Genesis sold two 20% interests, for a total of 40%, in the Lewiston Lands Limited Partnership to two builder partners. $11,760 of proceeds, net of assumption of debt of $8,000, were realized by Genesis.

6) 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 is currently working with five third party builders of which three are currently building in communities for which Genesis is the land developer.

7) Increasing the Velocity of Homes Sold by GBG

In YE 2023, GBG entered into 328 new home sales contracts, an increase of 41% from 233 new home sales contracts in YE 2022. During Q4 2023, GBG entered into 50 new home sales contracts compared to 31 new home sales contracts in Q4 2022. As of December 31, 2023, Genesis had 247 outstanding new home orders, an increase of 21% compared to 205 as at December 31, 2022. 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.

In 2023, GBG contracted to acquire 136 lots in the CMA from third party developers in the communities of Alpine Park, Fireside, Heartwood and Vermillion Hill. GBG is currently building in seven third party communities, namely Alpine Park, Clearwater, Fireside, Heartwood, Homestead, Silverton and Vermilion Hill. As of December 31, 2023, GBG had outstanding contracts to purchase 433 lots. GBG has 143 new home orders on these lots.

8) Liquidity and Return of Capital

Liquidity: As of December 31, 2023, Genesis had $37,546 of cash and cash equivalents on hand (YE 2022 - $36,598), loan and credit facilities of $103,587 (YE 2022 - $65,057), real estate assets of $342,791 (YE 2022 - $265,683) and total assets of $440,083 (YE 2022 - $364,140). The ratio of loan and credit facilities to total assets was 24% as at December 31, 2023 compared to 18% as at December 31, 2022.

Return of Capital to Shareholders: In 2023 Genesis declared and paid dividends of $0.17 per share ($9,663), with $0.085 paid in Q2 2023 and $0.085 in Q4 2023. Since 2014, when Genesis paid its first dividend, it has returned an aggregate of $76,331 to shareholders by way of dividends and bought back nearly 3.1 million common shares for an aggregate cost of $8,922.

Outlook

Genesis continues to execute on its growth strategy in both its land and housing divisions, sustained by a backlog of new-home orders and the continued strength of the CMA market. Housing demand remains relatively strong with the continued historic low supply of homes for sale supported by housing demand from migrants to Alberta. This has been somewhat offset by housing price increases, higher interest rates, inflationary pressures, tight labour markets and continuing supply chain constraints impacting new home orders, and home affordability.

Supply chain issues and inflation are moderating but continue to impact construction costs and timelines in both our land development and home building divisions. Some of the strain eased through 2023 as home sales activity slowed across most North American markets. However, the lack of skilled labour and of some products and materials remain concerns. Genesis continues to address these concerns by working proactively with key contractor partners and home buyers.

Land Development

	Three months ended December 31,			Year ended December 31,		
	2023	**2022**	**% change**	**2023**	**2022**	**% change**
Key Financial Data						
Residential lot revenues [1]	**14,675**	18,015	(18.5%)	**45,863**	40,639	12.9%
Development land revenues	**11,958**	6,338	88.7%	**16,200**	15,991	1.3%
Direct cost of sales	**(22,496)**	(20,466)	9.9%	**(52,655)**	(47,489)	10.9%
Gross margin before reversal of write-down [2]	**4,137**	3,887	6.4%	**9,408**	9,141	2.9%
Gross margin before reversal of write-down (%) [2]	**15.5%**	16.0%	(3.1%)	**15.2%**	16.1%	(5.6%)
Reversal of write-down of real estate held for development and sale	**700**	1,086	(35.5%)	**700**	1,086	(35.5%)
Gross margin	**4,837**	4,973	(2.7%)	**10,108**	10,227	(1.2%)
Gain in investments in land development entities	**1,106**	560	97.5%	**1,106**	560	97.5%
Other expenses	**(3,384)**	(2,726)	24.1%	**(11,554)**	(9,061)	27.5%
Earnings (loss) before income taxes	**2,559**	2,807	(8.8%)	**(340)**	1,726	N/R [3]
Key Operating Data						
Residential lots sold to third parties	**42**	84	(50.0%)	**118**	144	(18.1%)
Residential lots sold through GBG - home building	**53**	22	N/R [3]	**187**	92	103.3%
Total residential lots sold	**95**	106	(10.4%)	**305**	236	29.2%
Average revenue per lot sold	**154**	170	(9.4%)	**150**	172	(12.8%)

[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,		
	2023	**2022**	**% change**	**2023**	**2022**	**% change**
Residential lots						
Residential lot revenues [1]	**14,675**	18,015	(18.5%)	**45,863**	40,639	12.9%
Direct cost of sales	**(11,234)**	(14,207)	(20.9%)	**(37,151)**	(32,526)	14.2%
Gross margin before reversal of write-down	**3,441**	3,808	(9.6%)	**8,712**	8,113	7.4%
Gross margin before reversal of write-down (%)	**23.4%**	21.1%	10.9%	**19.0%**	20.0%	(5.0%)
Reversal of write-down of real estate held for development and sale	**700**	-	N/R [2]	**700**	-	N/R [2]
Gross margin	**4,141**	3,808	8.7%	**9,412**	8,113	16.0%

[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,		
	2023	**2022**	**% change**	**2023**	**2022**	**% change**
Development land						
Development land revenues	**11,958**	6,338	88.7%	**16,200**	15,991	1.3%
Direct cost of sales	**(11,262)**	(6,259)	79.9%	**(15,504)**	(14,963)	3.6%
Gross margin before reversal of write-down (1)	**696**	79	N/R (2)	**696**	1,028	(32.3%)
Gross margin before reversal of write-down (%) (1)	**5.8%**	1.2%	N/R (2)	**4.3%**	6.4%	(32.8%)
Reversal of write-down of real estate held for development and sale	**-**	1,086	N/R (2)	**-**	1,086	N/R (2)
Gross margin	**696**	1,165	(40.3%)	**696**	2,114	(67.1%)

(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

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 YE 2023 were $45,863 (305 lots) up from $40,639 (236 lots) in YE 2022. In YE 2023, 118 lots were sold to third party builders compared to 144 lots sold to third party builders in YE 2022. In YE 2023, GBG sold 187 homes on Genesis lots, up 103% from 92 homes sold on Genesis lots in YE 2022.

Total residential lot sales revenues in Q4 2023 were $14,675 (95 lots) down from $18,015 (106 lots) in Q4 2022. In Q4 2023, 42 lots were sold to third party builders compared to 84 lots sold to third party builders in Q4 2022. In Q4 2023, GBG also sold 53 homes on Genesis lots, compared to 22 homes sold on Genesis lots in Q4 2022.

Four parcels of development land were sold in YE 2023 for $16,200 while five parcels of development land were sold in YE 2022 for $15,991. In Q4 2023, three development land parcels were sold for $11,958 while two development land parcels sold in Q4 2022 for $6,338. 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 before reversal of write-down of 19% in YE 2023 compared to 20% in YE 2022. Residential lots had a gross margin before reversal of write-down of 23% in Q4 2023 compared to 21% in Q4 2022. Gross margins in Q4 2023 and YE 2023 were affected by the reversal of write-downs previously taken on real estate held for development and sale. Gross margins before reversal of write-down were lower in YE 2023 compared to the same period in 2022. Residential lot and development land revenue and margins can vary significantly as described in the "*Factors Affecting Results of Operations"* in this MD&A.

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

During 2023, Genesis recorded a reversal of write-down of $700 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 (2022 - $1,086).

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 $1,106 as a gain in investment in land development entities during 2023 (2022 - $560).

Other expenses

	Three months ended December 31,			Year ended December 31,		
	2023	**2022**	**% change**	**2023**	**2022**	**% change**
Other expenses						
General and administrative expense	**(2,123)**	(1,788)	18.7%	**(7,567)**	(6,435)	17.6%
Selling and marketing expense	**(519)**	(567)	(8.5%)	**(1,798)**	(1,756)	2.4%
Finance income	**393**	352	11.6%	**1,406**	488	N/R [1]
Finance expense	**(1,135)**	(723)	57.0%	**(3,595)**	(1,358)	N/R [1]
Total	**(3,384)**	(2,726)	24.1%	**(11,554)**	(9,061)	27.5%

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

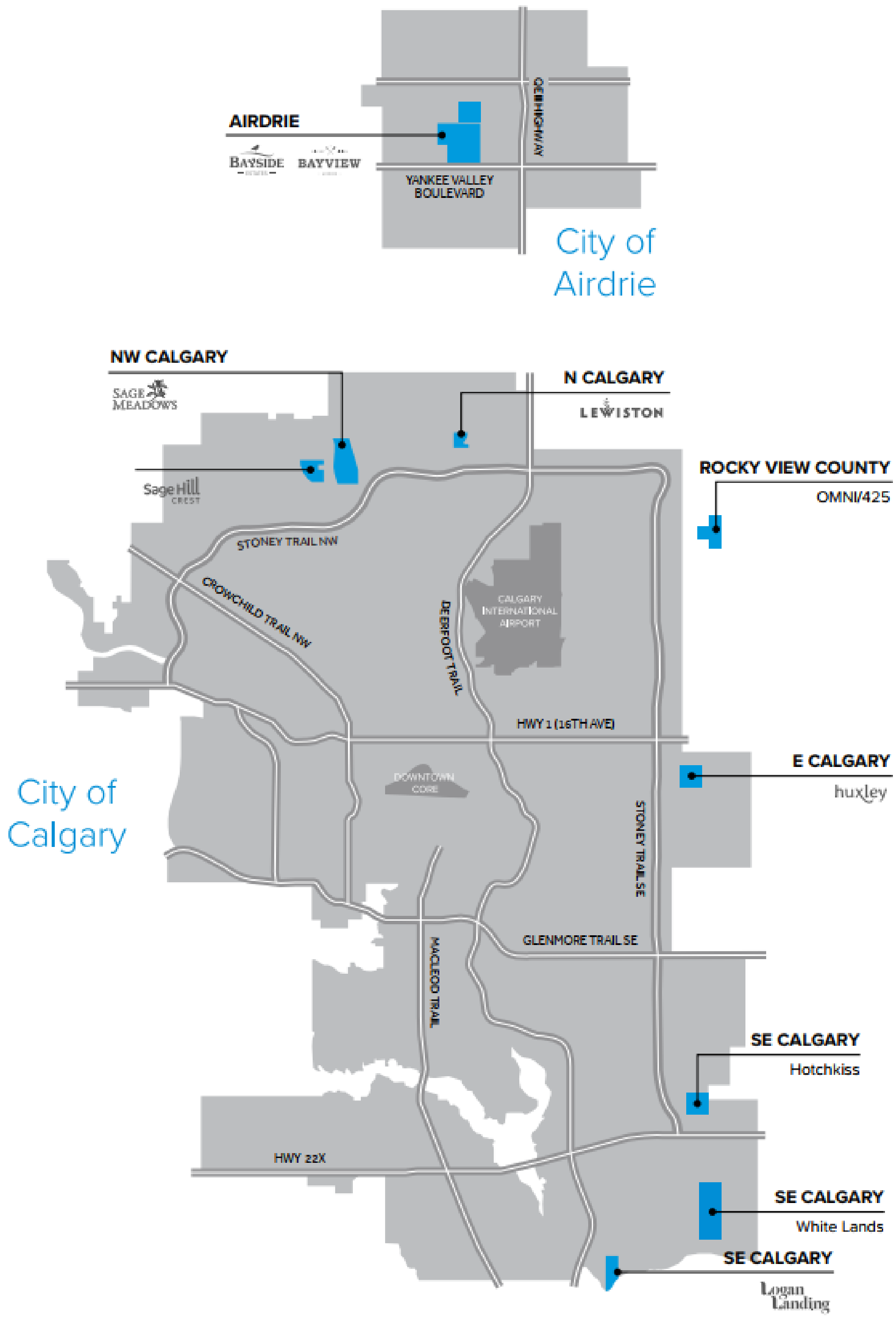
The components of other expenses and the changes are shown in the table above.

In YE 2023, other expenses totaled $11,554 or 28% higher than $9,061 incurred in YE 2022. Other expenses were higher in YE 2023 mainly due to higher net finance expense and general and administrative expense, specifically compensation expenses in YE 2023. Net finance expenses were higher due to higher interest rates and higher average loan balances in YE 2023 as compared to YE 2022.

In Q4 2023, other expenses totaled $3,384 or 24% higher than $2,726 incurred in Q4 2022. Other expenses were higher in Q4 2023 due to higher net finance expense and general and administrative expense, specifically compensation expenses. Net finance expenses were higher due to higher interest rates and higher average loan balance in Q4 2023 as compared to Q4 2022.

Higher compensation expenses in YE 2023 and in Q4 2023 were driven by increases in staffing and salary levels reflecting higher activity levels, inflation and a competitive labor market.

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,		
	2023	**2022**	**% change**	**2023**	**2022**	**% change**
Key Financial Data						
Revenues [1]	**52,230**	33,799	54.5%	**167,126**	100,680	66.0%
Direct cost of sales	**(39,627)**	(29,016)	36.6%	**(130,703)**	(83,749)	56.1%
Gross margin	**12,603**	4,783	163.5%	**36,423**	16,931	115.1%
Gross margin (%)	**24.1%**	14.2%	69.7%	**21.8%**	16.8%	29.8%
Other expenses	**(5,050)**	(3,732)	35.3%	**(17,858)**	(12,640)	41.3%
Earnings before income taxes	**7,553**	1,051	N/R [2]	**18,565**	4,291	N/R [2]
Key Operating Data						
Homes sold (units)	**86**	57	50.9%	**286**	169	69.2%
Average revenue per home sold	**607**	593	2.4%	**584**	596	(2.0%)
New home orders (units)	**50**	31	61.3%	**328**	233	40.8%
Outstanding new home orders at period end (units)				**247**	205	20.5%

(1) Revenues include residential home sales and other revenue
(2) Not relevant due to 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

Revenues for single-family homes and townhouses were $167,126 (286 units) in YE 2023, 66% higher than YE 2022 revenues of $100,680 (169 units). In addition, 328 homes were contracted for sale in YE 2023, an increase of 41%, as compared to 233 in YE 2022, resulting in 247 outstanding new home orders at the end of 2023 as compared to 205 outstanding new home orders at the end of 2022.

Revenues for single-family homes and townhouses were $52,230 (86 units) in Q4 2023, 55% higher than Q4 2022 revenues of $33,799 (57 units). In addition, 50 homes were contracted for sale in Q4 2023, an increase of 61%, as compared to 31 in Q4 2022.

Homes sold in YE 2023 had an average price of $584 per home compared to $596 in YE 2022. Homes sold in Q4 2023 had an average price of $607 per home compared to $593 in Q4 2022. Fluctuations in the average revenue per home sold are due to differences in product mix, community, and market conditions. During 2023 and 2022, GBG's single-family homes product ranged in price from $386-$1,900 depending on the location and the models being offered. Similarly, GBG's townhouse product ranged in price from $172-$399 depending on the location and the models being offered. In Q4 2023, 77 single-family homes and 9 townhouses were sold compared to 56 single-family homes and 1 townhouse in Q4 2022. In YE 2023, 268 single-family homes and 18 townhouses were sold compared to 162 single-family homes and 7 townhouses in YE 2022.

187 of the 286 homes sold in YE 2023 were built on residential lots supplied by Genesis, with lot revenues of $25,877 while 92 of the 169 homes sold in YE 2022 were built on residential lots or parcels supplied by Genesis, with lot revenues of $16,953. In Q4 2023, 53 of the 86 homes sold were built on residential lots supplied by Genesis, with lot revenues of $7,261 while 22 of the 57 homes sold in Q4 2022 were built on residential lots or parcels supplied by Genesis, with lot revenues of $3,995.

In 2023, GBG contracted to acquire 136 lots in the CMA from third party developers in the communities of Alpine Park, Fireside, Heartwood and Vermillion Hill. GBG is currently building in seven third party communities, namely Alpine Park, Clearwater, Fireside, Heartwood, Homestead, Silverton and Vermilion Hill. As of December 31, 2023, GBG had outstanding contracts to purchase 433 lots. GBG has 143 new home orders on these lots.

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. The delivery time of a pre-construction home is approximately 10 to 12 months. Construction of quick possession homes commences 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 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 2023, GBG had $88,314 of work in progress, of which approximately $6,243 related to spec homes and $4,954 related to the associated third party lots (YE 2022 - $48,506 of work in progress, of which $1,378 related to spec homes and $2,744 related to the associated third party lots).The increase in work in progress is mainly related to higher outstanding new home orders and the building up of the spec home inventory to meet demand.

The following table shows the split between quick possession sales and pre-construction homes.

	Three months ended December 31,			Year ended December 31,		
	2023	**2022**	**% change**	**2023**	**2022**	**% change**
Quick possession sales (units)	**18**	7	N/R [(1)]	**54**	20	N/R [(1)]
Pre-construction home sales (units)	**68**	50	36.0%	**232**	149	55.7%
Total home sales (units)	**86**	57	50.9%	**286**	169	69.2%

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

Gross margin

Genesis realized gross margin on home sales of 21.8% in YE 2023 as compared to 16.8% in YE 2022 and a gross margin on home sales of 24.1% in Q4 2023 compared to 14.2% in Q4 2022. Fluctuations in gross margin are due to changes in market conditions and differences in product and community mix. In YE 2023, 268 single-family homes and 18 townhouses were sold compared to 162 single-family homes and 7 townhouses in YE 2022. In Q4 2023, 77 single-family homes and 9 townhouses were sold compared to 56 single-family homes and 1 townhouse in Q4 2022.

Other expenses

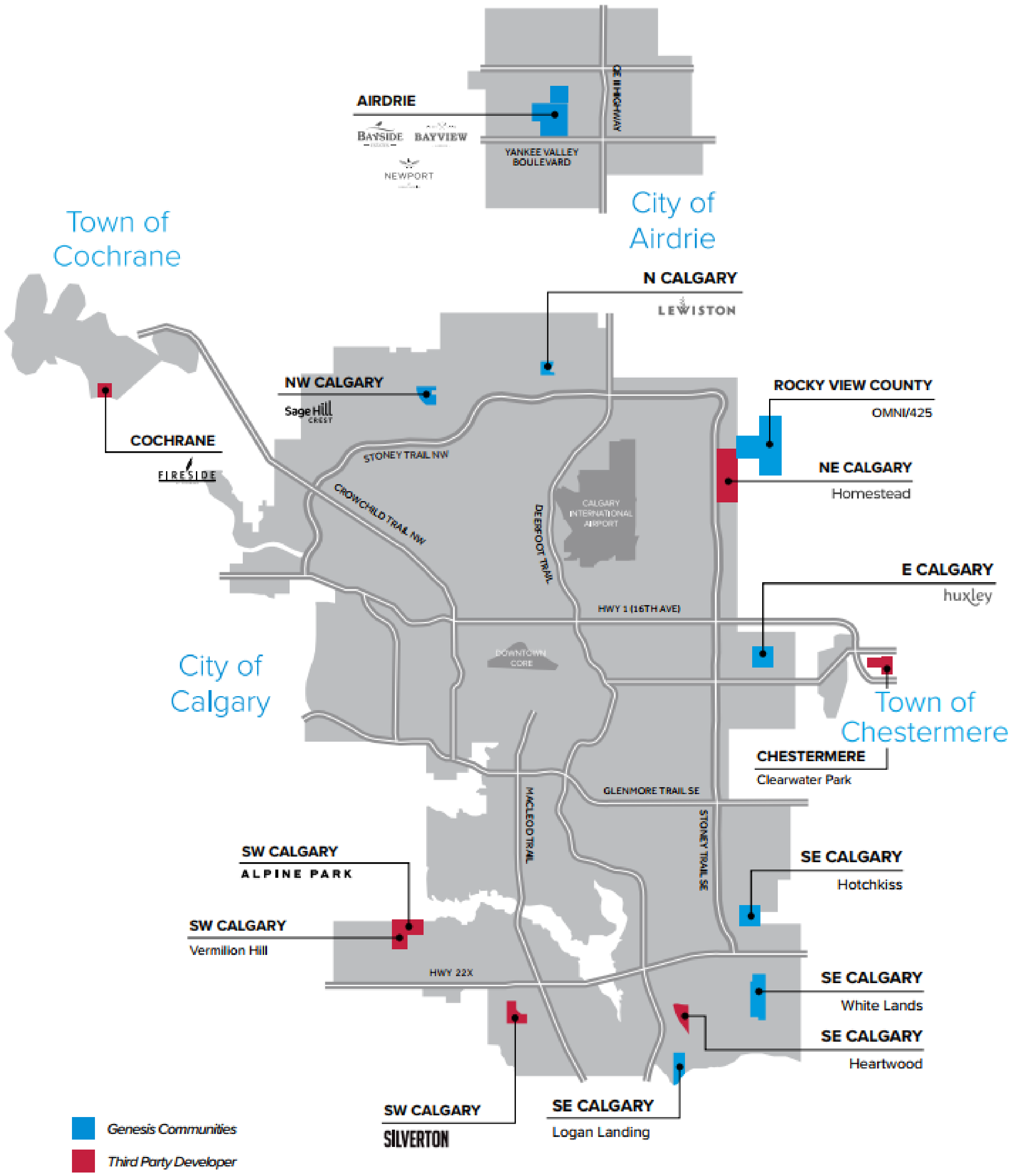
	Three months ended December 31,			Year ended December 31,		
	2023	**2022**	**% change**	**2023**	**2022**	**% change**
Other expenses						
General and administrative expense	**(2,796)**	(2,338)	19.6%	**(10,531)**	(8,351)	26.1%
Selling and marketing expense	**(2,076)**	(1,248)	66.3%	**(6,686)**	(4,059)	64.7%
Finance income	**63**	1	N/R [(1)]	**137**	24	N/R [(1)]
Finance expense	**(241)**	(147)	63.9%	**(778)**	(254)	N/R [(1)]
Total	**(5,050)**	(3,732)	35.3%	**(17,858)**	(12,640)	41.3%

[(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 2023, other expenses were $17,858, 41% higher than $12,640 incurred in YE 2022. In Q4 2023, other expenses totaled $5,050, 35% higher than $3,732 incurred in Q4 2022. Other expenses were higher in both Q4 and YE 2023 due to higher compensation expenses, selling and marketing expenses (including sales commissions) and net finance expenses. Higher compensation expenses were driven by increases in staffing and salary levels reflecting higher activities levels, inflation and a competitive labor market. Increase in selling and marketing expenses was primarily due to higher levels of sales activity in the home building business. Higher net finance expenses were due to higher average loan balances and higher interest rates in 2023 compared to the same periods in 2022.

LOCATION OF GBG BUILDING COMMUNITIES



Real Estate Held for Development and Sale

	December 31,		
	2023	**2022**	**% change**
Real estate held for development and sale	**342,791**	265,683	29.0%

Refer to note 5 in the consolidated financial statements for the years ended December 31, 2023 and 2022 which details the components of the changes in the 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 $77,108 as at YE 2023 compared to YE 2022 mainly due to: (i) the acquisition of 460 acres of future residential development land in the southeast sector of the City of Calgary for $25,842; (ii) increase in residential lots from third party developers for $25,736; and (iii) active development and construction activities.

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, 2023:

	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	20,382	27,751	48,133
Calgary NW - Sage Meadows	3,614	-	3,614
Calgary NW - Sage Hill Crest	13,392	-	13,392
Calgary N - Lewiston (owned by LLLP)	-	57,038	57,038
Calgary SE - Logan Landing	-	61,652	61,652
Calgary SE - White Lands	-	22,700	22,700
Calgary E - Huxley	-	33,436	33,436
Rocky View County - North Conrich	-	6,858	6,858
Rocky View County - OMNI	-	5,609	5,609
Other lands [(2)] - non-core	40	2,005	2,045
Total land development	37,428	217,049	**254,477**
Home building construction work-in-progress			38,874
Third party lots			49,440
Total home building			**88,314**
Total real estate held for development and sale			**342,791**

[(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*

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, 2023:

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	20,382	162	16	1	-
Calgary NW - Sage Meadows	3,614	-	-	1	-
Calgary NW - Sage Hill Crest	13,392	47	-	-	1
	37,388	**209**	**16**	**2**	**1**
Other lots - non-core	40	13	-	-	-
Total	**37,428**	**222**	**16**	**2**	**1**

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, 2023, 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** [1] (acres)	**Single-family** (lots)	**Multi-family** (acres)	**Commercial** (acres)
Airdrie - Bayside, Bayview	27,751	94	635	2	2
Calgary N - Lewiston (owned by LLLP)	57,038	134	952	3	4
Calgary SE - Logan Landing	61,652	354	1,606	7	3
Calgary SE - White Lands	22,700	460	2,500	-	-
Calgary E - Huxley	33,436	161	1,368	-	-
Rocky View County - North Conrich	6,858	425	-	-	-
Rocky View County - OMNI	5,609	185	-	-	-
	215,044	1,813	7,061	12	9
Other lands - non-core	2,005	300	-	-	-
Total	**217,049**	**2,113**	**7,061**	**12**	**9**

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

Amounts Receivable

	December 31,		
	2023	**2022**	**% change**
Amounts receivable	**28,156**	22,165	27.0%

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 $5,991 in amounts receivable was mainly due to higher lot sales to third party builders. As at YE 2023, Genesis had $26,623 (191 lots) in amounts receivable related to third party builders compared to $21,207 (155 lots) in amounts receivable as at YE 2022.

Individual balances due from third party builders at YE 2023 that were 10% or more of total amounts receivable were $26,623 from two third party builders (YE 2022 - $21,207 from two third party builders).

Vendor-take-back Mortgage Receivable

	December 31,		
	2023	**2022**	**% change**
Vendor-take-back mortgage receivable	**1,976**	-	N/R (1)

(1) Not relevant due to the size of the change

The Corporation closed the sale of a 2.91-acre parcel of development land on December 1, 2023 for $3,929, comprised of cash consideration of $1,965 and the remainder as a VTB mortgage receivable of $1,964 bearing an annual interest at the prime rate. The principal and interest on the VTB mortgage receivable is due on or before March 15, 2024.

Cash Flows (used in) 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,	
	2023	**2022**	**2023**	**2022**
Cash flows (used in) operating activities	**(13,501)**	(1,686)	**(7,799)**	(43,756)
Cash flows (used in) operating activities per share - basic and diluted	**(0.24)**	(0.03)	**(0.14)**	(0.77)

The changes in cash flows from operating activities between Q4 2023 and Q4 2022 consist of the following:

	Three months ended December 31,		
Operating Activities - Inflows (Outflows)	**2023**	**2022**	**$ change**
Residential home sales	**52,835**	33,425	19,410
Residential lot sales	**5,289**	3,135	2,154
Development land sales	**9,995**	6,338	3,657
Residential home construction	**(28,178)**	(26,032)	(2,146)
Land development	**(32,099)**	(8,215)	(23,884)
Lots and land acquisitions	**(12,686)**	(3,394)	(9,292)
Suppliers and employees	**(8,278)**	(6,787)	(1,491)
Income tax	**(682)**	(544)	(138)
Other	**303**	388	(85)
Total	**(13,501)**	(1,686)	(11,815)

The changes in cash flows from operating activities between YE 2023 and YE 2022 consist of the following:

	Year ended December 31,		
Operating Activities - Inflows (Outflows)	**2023**	**2022**	**$ change**
Residential home sales	**167,673**	104,049	63,624
Sale of ownership interest in LLLP	**11,760**	-	11,760
Residential lot sales	**16,948**	16,742	206
Development land sales	**14,237**	15,991	(1,754)
Residential home construction	**(104,662)**	(84,478)	(20,184)
Land development	**(68,146)**	(33,820)	(34,326)
Lots and land acquisitions	**(19,590)**	(39,245)	19,655
Suppliers and employees	**(24,056)**	(19,572)	(4,484)
Income tax	**(3,332)**	(4,246)	914
Other	**1,369**	823	546
Total	**(7,799)**	(43,756)	35,957

The increases in cash inflows from the sale of residential homes by GBG are primarily related to increases in 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 inflows from the sale of residential homes and the sale of ownership interests in LLLP and lower cash outflows for land and lot acquisitions. These were partially offset by higher cash outflows for home building and land servicing activities and lower cash inflows from residential lots and development land sales. In YE 2023, cash outflows for lots and land acquisitions include the $7,753 cash payment for the acquisition of approximately 460 acres of future residential development land in southeast Calgary. In YE 2022, cash outflows for lots and land acquisitions include the $26,964 payment for 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 $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 in YE 2023 reflect the large number of spec homes and outstanding new home orders for which homes are being built. In addition, lower income tax payments were made in YE 2023 compared to YE 2022.

LIABILITIES AND SHAREHOLDERS' EQUITY

The following table presents Genesis' liabilities and equity at YE 2023 and YE 2022:

	December 31,		December 31,	
	2023	**% of total**	**2022**	**% of total**
Loan and credit facilities	**103,587**	**24%**	65,057	18%
Provision for future development costs	**20,569**	**5%**	24,034	7%
Customer deposits	**17,470**	**4%**	15,753	4%
Accounts payable and accrued liabilities	**22,579**	**5%**	12,470	3%
Accounts payable related to residential lot purchases	**32,319**	**7%**	17,944	5%
Lease liabilities	**712**	**0%**	841	0%
Income tax payable	**1,706**	**0%**	704	0%
Total liabilities	**198,942**	**45%**	136,803	37%
Non-controlling interest	**9,999**	**2%**	2,705	1%
Shareholders' equity	**231,142**	**53%**	224,632	62%
Total liabilities and equity	**440,083**	**100%**	364,140	100%

The ratio of total liabilities to equity is as follows:

	December 31, 2023	**December 31, 2022**
Total liabilities	**198,942**	136,803
Total equity	**241,141**	227,337
Total liabilities to equity [(1)]	**83%**	60%

[(1)] *Calculated as total liabilities divided by total equity*

Loan and Credit Facilities

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Corporate revolving line of credit	**12,800**	19,024	21,257	11,350	25,626
Demand land project servicing loans	**12,729**	11,552	10,156	11,682	12,522
Demand operating line - LLLP	**21,500**	21,336	20,931	20,554	20,198
Demand operating line - Huxley Lands Limited Partnership ("HLLP")	**15,098**	-	-	-	-
Demand land project servicing loan - LLLP	**13,455**	4,179	-	-	-
Demand operating line for single-family homes	**13,664**	11,110	8,575	6,732	7,364
VTB mortgage payable	**18,088**	-	-	-	-
	107,334	67,201	60,919	50,318	65,710
Unamortized portion of the discount on the VTB	**(3,010)**	-	-	-	-
Unamortized deferred fees on loan and credit facilities	**(737)**	(779)	(774)	(864)	(653)
Balance, end of period	**103,587**	66,422	60,145	49,454	65,057

The continuity of Genesis' loan and credit facilities, excluding deferred fees and unamortized portion of the discount on the VTB, is as follows:

	Year ended December 31, 2023			Year ended December 31, 2022
	VTB mortgage payable	Loan and credit facilities	Total	Total
Balance, beginning of year	**-**	**65,710**	**65,710**	33,260
Advances	**18,088**	**82,887**	**100,975**	84,151
Repayments	**-**	**(59,450)**	**(59,450)**	(51,701)
Interest expense	**-**	**99**	**99**	-
Balance, end of year	**18,088**	**89,246**	**107,334**	65,710

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 $50,000 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, 2023, the amount drawn on this facility was $12,800 (YE 2022 - $25,626). Subsequent to December 31, 2023, the facility was extended and now matures on February 1, 2027. In addition, the interest rate per annum has been reduced to prime +1.65%.

Demand land project servicing loans

As at December 31, 2023, Genesis had land project servicing facilities with $12,729 drawn (YE 2022 - $12,522). Up to $7,400 is available to finance future development and servicing costs as land development activities progress. These facilities bear interest at prime +0.50% per annum, mature between May 12, 2024 and March 19, 2025 and are secured by agreements receivable, real estate held for development and sale, and a corporate guarantee.

Demand land project servicing loan for LLLP

In Q2 2023 LLLP entered into a demand land project servicing credit facility up to $35,428 with a major Canadian chartered bank at an interest rate per annum of prime +0.50%. This facility is secured by specific lands, and a Genesis corporate guarantee, and matures on July 31, 2026. As at December 31, 2023, the amount drawn on this facility was $13,455.

Demand operating line for LLLP

LLLP has a demand operating credit facility of $21,500 with a major Canadian chartered bank at an interest rate per annum of prime +0.50%. This facility is secured by specific lands, and a Genesis corporate guarantee, and matures on October 27, 2025. As at December 31, 2023, the amount drawn on this facility was $21,500 (YE 2022 - $20,198).

Demand operating line for HLLP

In Q4 2023 Huxley Lands Limited Partnership entered into a demand operating credit facility up to $16,000 with a major Canadian chartered bank at an interest rate per annum of prime +0.25%. This facility is secured by specific lands, and a Genesis corporate guarantee, and matures on November 30, 2026. As at December 31, 2023, the amount drawn on this facility was $15,098.

Demand operating line for single-family homes and lots

GBG has a demand operating line of $25,000 bearing interest at prime +0.75% per annum. This facility is secured by housing projects under development and a corporate guarantee. As at December 31, 2023, the amount drawn on this facility was $13,664 (YE 2022 - $7,364). The facility does not have a specified maturity date.

VTB mortgage payable

Genesis entered into a $18,088 VTB mortgage payable on the purchase of its southeast Calgary lands in December 2023. The VTB mortgage payable is secured by specific lands, has an interest rate of 0% per annum and is repayable in four equal annual installments of $4,522 each, commencing November 20, 2024 and ending November 20, 2027. This 0% loan was recorded as $15,078 being the present value of the $18,088 discounted at an assumed market rate of 8%.

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 2023 was $15,899 for the land division (YE 2022 - $20,105) and $4,670 for GBG (YE 2022 - $3,929). 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 $37,546 and drawn loan and credit facilities of $103,587 at YE 2023 compared to $36,598 and $65,057 respectively at YE 2022, resulting in net debt (refer to heading "*Non-GAAP Measures*" in this MD&A) of $66,041 at YE 2023 compared to net debt of $28,459 at YE 2022. 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,		
	2023	**2022**	**% change**
Cash and cash equivalents	**37,546**	36,598	2.6%
Corporate revolving line of credit	**12,274**	25,104	(51.1%)
Demand land project servicing and home building loans	**26,367**	19,815	33.1%
Demand land project servicing and operating line - LLLP	**34,832**	20,138	73.0%
Demand operating line - HLLP	**15,036**	-	N/R [3]
VTB mortgage payable	**15,078**	-	N/R [3]
Total loan and credit facilities	**103,587**	65,057	59.2%
Net debt [1] [2]	**(66,041)**	(28,459)	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]	**2023**	**2022**	**% change**
Corporate revolving line of credit	**2.8%**	6.9%	(59.4%)
Demand land project servicing and home building loans	**6.0%**	5.4%	11.1%
Demand land project servicing and operating line - LLLP	**7.9%**	5.5%	43.6%
Demand operating line - HLLP	**3.4%**	-	N/R [3]
VTB mortgage payable	**3.4%**	-	N/R [3]
Loan and credit facilities to total assets	**23.5%**	17.8%	32.0%
Total liabilities to equity [2]	**82.5%**	60.2%	37.0%

[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 [1] as a percentage of total assets	**2023**	**2022**	**% change**
Cash and cash equivalents	**37,546**	36,598	2.6%
Loan and credit facilities	**103,587**	65,057	59.2%
Net debt [1] [2]	**(66,041)**	(28,459)	N/R [4]
Net debt to total assets [3]	**(15.0%)**	(7.8%)	92.0%

[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 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,		
	2023	**2022**	**% change**	**2023**	**2022**	**% change**
Interest incurred	**(1,534)**	(1,092)	40.5%	**(4,912)**	(1,989)	N/R [3]
Interest relating to VTBs	**(199)** [1]	-	N/R [3]	**(199)** [1]	(105) [2]	89.5%
Financing fees amortized	**(106)**	(87)	21.8%	**(386)**	(340)	13.5%
Interest and financing fees capitalized	**463**	309	49.8%	**1,124**	822	36.7%
	(1,376)	(870)	58.2%	**(4,373)**	(1,612)	N/R [3]

[1] *VTB related to Southeast Calgary lands. The VTB is to be paid in four equal annual installments of $4,522 each, commencing November 2024 and ending November 2027*
[2] *VTB related to Lewiston lands. VTB was repaid in January 2022*
[3] *Not relevant due to size of the change*

Finance expenses were higher in Q4 2023 and YE 2023 compared to the same periods in 2022 mainly due to higher interest rates and higher average loan balances. Interest and financing fees are recorded as a component of real estate held for development and sale.

The weighted average interest rate of loan agreements with various financial institutions was 7.90% (YE 2022 - 7.52%) based on December 31, 2023 balances.

Income Tax Payable

The continuity in income tax payable is as follows:

	December 31, 2023	December 31, 2022
Balance, beginning of year	**704**	2,092
Provision for current income tax	**4,334**	2,858
Net payments	**(3,332)**	(4,246)
Balance, end of year	**1,706**	704

As at December 31, 2023, income tax payable is a result of tax on the current year's income, offset by installment payments made during the year.

Shareholders' Equity

As at March 6, 2024, the Corporation had 56,785,508 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 renewed its normal course issuer bid ("NCIB") on December 13, 2023. The NCIB commenced on December 18, 2023 and will terminate on the earlier of: (i) December 17, 2024; 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 2,840,528 common shares under the NCIB.

The prior NCIB, which expired on December 15, 2023, allowed the Corporation to purchase for cancellation up to 2,843,166 common shares.

The Corporation purchased and cancelled common shares under its NCIBs as follows:

	Three months ended December 31,		Year ended December 31,	
	2023	**2022**	**2023**	**2022**
Number of shares purchased and cancelled	**30,505**	-	**61,027**	-
Total cost	**69**	-	**135**	-
Average price per share purchased	**2.23**	-	**2.20**	-
Shares cancelled as a % of common shares outstanding at beginning of period	**0.05%**	-	**0.11%**	-

During YE 2023, the Corporation purchased and cancelled 61,027 common shares for $135 at an average cost of $2.20 per share (representing 0.11% of issued and outstanding shares at the beginning of period) compared to nil purchase in YE 2022.

During Q4 2023, the Corporation purchased and cancelled 30,505 common shares for $69 at an average cost of $2.23 per share (representing 0.05% of issued and outstanding shares at the beginning of period) compared to nil purchase in Q4 2022.

The Corporation repurchased 16,800 common shares between January 1, 2024 and March 6, 2024 for cancellation for $40 at an average cost of $2.36 per share under the NCIB. As of the date of this MD&A, there are 2,820,728 common shares remaining for purchase under the currently authorized NCIB.

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 2023 were as follows:

	Loan and Credit Facilities [(1)]	Levies and Municipal Fees	Lot Purchase Contracts [(2)]	Land Purchase Contract [(3)]	Lease Obligations [(4)]	Total
Current	26,916	8,516	12,158	-	585	**48,175**
January 2025 to December 2025	30,022	5,050	15,042	26,700	436	**77,250**
January 2026 to December 2026	45,875	4,428	3,785	-	421	**54,509**
January 2027 to December 2027	4,521	-	-	-	72	**4,593**
Total	107,334	17,994	30,985	26,700	1,514	**184,527**

[(1)] Excludes deferred fees on loan and credit facilities and unamortized portion of the discount on the VTB
[(2)] Lot purchase contracts are from both third party-developers and from LLLP
[(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)] Includes variable operating costs

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.

Lot purchase contracts are related to the purchase of lots from third-party developers and LLLP 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.

Land purchase contract is related to the purchase of future residential development lands as part of Genesis' growth strategy.

Genesis has certain lease agreements that are entered in the normal course of operations. Genesis' sublease for its head office signed in April 2020 expires in February 2027. The total payments over the remaining term of the office lease for base rent and parking is $563. 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.

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, 2023	December 31, 2022
Loan and credit facilities, excluding deferred fees on loan and credit facilities and unamortized portion of the discount on the VTB	**26,916**	7,364
Accounts payable and accrued liabilities	**22,579**	12,470
Accounts payable related to residential lot purchases	**24,131**	13,036
Total short-term liabilities	**73,626**	32,870
Levies and municipal fees	**8,516**	7,475
Lot purchase contracts	**12,158**	7,401
Land purchase contract	**-**	531
Lease obligations	**585**	547
	94,885	48,824

At YE 2023, Genesis had obligations due within the next 12 months of $94,885 of which $26,916 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 2023, these amounted to approximately $7,103 (YE 2022 - $5,414).

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

	2023	2022	2021	2020	2019
Total revenues	**203,312**	140,357	109,761	103,933	68,097
Gross margin before reversal of write-down / write-down (1)	**45,831**	26,072	27,575	27,352	22,220
Gross margin	**46,531**	27,158	31,843	15,715	21,420
Net earnings attributable to equity shareholders	**14,512**	4,520	10,877	199	1,701
Net earnings per share - basic and diluted	**0.26**	0.08	0.24	0.00	0.04
Total assets	**440,083**	364,140	324,929	266,494	296,268
Loan and credit facilities	**103,587**	65,057	32,668	21,470	51,546
Cash dividends per share (2)	**0.17**	0.15	0.14	-	-

(1) Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
(2) Amount paid in the year. Genesis declared dividends of $0.17 per share, $0.15 per share and $nil per share in 2023, 2022 and 2021, respectively.

	2023	2022	2021	2020	2019
Return on shareholders' equity ("ROE") (1)	**6.4%**	2.0%	5.2%	0.1%	0.9%
Average shareholders' equity (2)	**227,887**	226,628	208,150	190,817	192,964

(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 three years

Total revenues consist of residential lot sales, development land sales, residential home sales and other revenues. Residential lot sales volumes were 305, 236 and 247 units in 2023, 2022, and 2021, respectively, reflecting market conditions in each period. In addition, development land sales were $16,200, $15,991 and $5,870 for 2023, 2022 and 2021 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 286, 169 and 191 in 2023, 2022, and 2021 respectively. Included in this were single-family homes sales of 268, 162 and 150 units in 2023, 2022, and 2021 respectively.

Gross margin before reversal of write-down was $45,831 in 2023, higher than the prior year mainly due to higher volumes of residential lots and homes sales. Gross margin before reversal of write-down was $26,072 in 2022, lower than the prior year mainly due to lower margin on residential lots, partially offset by higher margin on residential homes and development land. Gross margin before reversal of write-down was $27,575 in 2021, relatively unchanged from the prior year with residential lots, development land and residential homes all contributing to this. 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 reversal of write-down of $700 on residential lot sales in 2023, a net reversal of write-down of $1,086 on development land sales in 2022 and a reversal of write-down of $4,268 on development land sales in 2021 respectively. Net earnings and net earnings per share - basic and diluted were affected as a result of the above. Net earnings attributable to equity shareholders were $14,512, $4,520 and $10,877 in 2023, 2022 and 2021, respectively. Net earnings per share (basic and diluted) were $0.26 per share, $0.08 per share and $0.24 per share in 2023, 2022 and 2021, respectively.

Total assets increased by $75,943 in 2023 compared to 2022. This was mainly due to an increase in real estate held for development and sale by $77,108 and an increase of $7,967 in amounts receivable and VTB mortgage receivable, partially offset by a reduction of $9,772 in other operating assets during the year.

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 loan and credit facilities increased by $38,530 in 2023 compared to 2022. This was mainly due to the addition of the VTB mortgage payable related to the purchase of the southeast Calgary lands, the addition of a $15,098 land loan in HLLP and higher land project servicing and home building project loan balances.

Total loan 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 loan 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.

SUMMARY OF QUARTERLY RESULTS

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Revenues	**71,602**	41,173	53,188	37,349	54,157	43,610	22,211	20,379
Net earnings (loss) (1)	**8,056**	2,203	4,093	160	3,062	1,857	97	(496)
EPS (2)	**0.15**	0.04	0.07	0.00	0.05	0.04	0.00	(0.01)

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

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Dividends declared and paid	**4,830**	-	4,833	-	4,265	4,265	-	-
Dividends declared and paid - per share	**0.085**	-	0.085	-	0.075	0.075	-	-

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Residential lots sold to third parties (units)	**42**	1	45	30	84	54	2	4
Residential lots sold through GBG (units)	**53**	43	59	32	22	20	22	28
Total residential lots sold (units)	**95**	44	104	62	106	74	24	32

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Homes sold (units)	**86**	71	69	60	57	45	36	31

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Development land revenues	**11,958**	-	4,242	-	6,338	7,453	-	2,200

Cash flows (used in) from operating activities	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Amount	**(13,501)**	(9,922)	7,590	8,034	(1,686)	(2,737)	(12,891)	(26,442)
Per share - basic and diluted	**(0.24)**	(0.17)	0.13	0.14	(0.03)	(0.05)	(0.22)	(0.47)

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 2023, Genesis sold 42 residential lots to third party builders and 86 homes of which 53 homes were built on Genesis' lots. Revenues were higher in Q4 2023, compared to Q3 2023, due to higher residential home sales, residential lot sales to third parties and development land sales during the quarter. Q4 2023 included $700 related to reversal of write-downs previously taken, while there were no write-downs or reversal of write-downs in Q3 2023. Gross margins in Q4 2023 were higher than in Q3 2023 with residential lots, residential home and development land sales all contributing to this. In Q4 2023, the Corporation recorded $1,106 as a gain in investments in land development entities with no gain recorded in Q3 2023. Selling and marketing expenses and net finance expenses were higher compared to Q3 2023. Income tax expenses were $2,246 in Q4 2023 compared to $807 in Q3 2023. As a result of these factors, net earnings were $8,056 in Q4 2023 compared to net earnings of $2,203 in Q3 2023.

During Q3 2023, Genesis sold one residential lot to third party builders and 71 homes of which 43 homes were built on Genesis' lots. Revenues were lower in Q3 2023, compared to Q2 2023, due to lower residential lot sales to third parties, lower residential home sales, and no development land sales during the quarter. Gross margins in Q3 2023 were lower than in Q2 2023. General and administrative expenses and net finance expenses were higher compared to Q2 2023. Income tax expenses were $807 in Q3 2023 compared to $1,070 in Q2 2023. As a result of these factors, net earnings were $2,203 in Q3 2023 compared to net earnings of $4,093 in Q2 2023.

During Q2 2023, Genesis sold 45 residential lots to third party builders and 69 homes of which 59 homes were built on Genesis' lots. Revenues were higher in Q2 2023, compared to Q1 2023, due to higher residential home sales, residential lot sales to third parties and a development land sale during the quarter. Gross margins in Q2 2023 were higher than in Q1 2023. General and administrative expenses and net finance expenses were lower while selling and marketing expenses were higher in Q2 2023 compared to Q1 2023. Income tax expenses were $1,070 in Q2 2023 compared to $39 in Q1 2023. As a result of these factors, net earnings were $4,093 in Q2 2023 compared to net earnings of $160 in Q1 2023.

During Q1 2023, Genesis sold 30 residential lots to third party builders and 60 homes of which 32 homes were built on Genesis' lots. Revenues were lower in Q1 2023, compared to Q4 2022, due to lower residential home sales, residential lot sales to third parties and development land sales during the quarter. Q1 2023 included no write-down or reversal of write-down, while Q4 2022 included $1,086 related to net reversal of write-downs previously taken. Therefore, gross margins in Q1 2023 were lower than in Q4 2022. In Q1 2023, there was no change in the fair value of the Corporation's investments in land development entities, while a gain of $560 was recorded in Q4 2022. Selling and marketing expenses, general and administrative expenses and net finance expenses were marginally higher in Q1 2023 compared to Q4 2022. Income tax expenses were $39 in Q1 2023 compared to $836 in Q4 2022. As a result, net earnings were $160 in Q1 2023 compared to net earnings of $3,062 in Q4 2022.

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 were $3,062 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, net loss was $496 in Q1 2022 compared to net earnings of $4,252 in Q4 2021.

RELATED PARTY TRANSACTIONS

Transactions occurred during the year ended December 31, 2023, with the following related parties:

In 2005, the Corporation sold a 49% undivided interest in approximately 610 acres to Genesis Limited Partnership #4 and GLP5 NE Calgary Development Inc. (collectively, "LP4/5 group") for $7,670. 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 to LP4/5 group were $5,038 with the remainder of $1,661 being applied against debt owed to the Corporation by LP4/5 group. In February 2023, the Corporation paid $1,253 to GLP5 NE Calgary Development Inc. to acquire an additional 25 acres in the OMNI project in North Conrich. Genesis holds a 100% interest in 456 acres of land and a 73% interest (previously 59%) in the 185-acre OMNI project, with the remaining 27% being held by Genesis Limited Partnership #4.

SUBSEQUENT EVENTS

Subsequent to December 31, 2023, the following occurred:

Genesis extended its $50,000 corporate revolving line of credit facility in March 2024 with a new maturity date of February 1, 2027. In addition, the interest rate per annum has been reduced to prime +1.65%.

SUMMARY OF ACCOUNTING CHANGES

The Corporation adopted no new IFRSs or interpretations as of January 1, 2023.

NEW ACCOUNTING PRONOUNCEMENTS

There were no new accounting pronouncements or amendments to existing standards that impacted or are expected to impact the Corporation in 2023 and 2024.

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 2023 and YE 2022. Refer to note 2(r) in the consolidated financial statements for the years ended December 31, 2023 and 2022 for additional information on judgments and estimates.

Provision for Future Development Costs

Changes in estimated future development costs, which are generally obtained from 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.

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, 2023. 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, 2023 that have materially affected or are reasonably likely to materially affect the Corporation's ICFR.

RISKS AND UNCERTAINTIES

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.

In Q4 2023, the Alberta economy continued to grow driven by population gains, relative housing affordability and supportive commodity markets. This was somewhat offset by increasing home prices, high lending rates and continued inflationary pressures that weighed on demand. While overall demand increased in Q4 2023, 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.

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, 2023 available on SEDAR+ at www.sedarplus.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, 2023 available on SEDAR+ at www.sedarplus.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,**	
	2023	**2022**	**2023**	**2022**
Development land revenues	**11,958**	6,338	**16,200**	15,991
Gross margin	**696**	1,165	**696**	2,114
(Reversal of write-down) of real estate held for development and sale	**-**	(1,086)	**-**	(1,086)
Gross margin before reversal of write-down	**696**	79	**696**	1,028
Gross margin before reversal of write-down (%)	**5.8%**	1.2%	**4.3%**	6.4%

Residential Lots	**Three months ended December 31,**		**Year ended December 31,**	
	2023	**2022**	**2023**	**2022**
Residential lot revenues	**14,675**	18,015	**45,863**	40,639
Gross margin	**4,141**	3,808	**9,412**	8,113
(Reversal of write-down) of real estate held for development and sale	**(700)**	-	**(700)**	-
Gross margin before reversal of write-down	**3,441**	3,808	**8,712**	8,113
Gross margin before reversal of write-down (%)	**23.4%**	21.1%	**19.0%**	20.0%

Homes	Three months ended December 31,		Year ended December 31,	
	2023	**2022**	**2023**	**2022**
Revenues for homes	**52,230**	33,799	**167,126**	100,680
Gross margin	**12,603**	4,783	**36,423**	16,931
Write-down of real estate held for development and sale	**-**	-	**-**	-
Gross margin before write-down	**12,603**	4,783	**36,423**	16,931
Gross margin before write-down (%)	**24.1%**	14.2%	**21.8%**	16.8%

Development Land, Residential Lots and Homes	Three months ended December 31,		Year ended December 31,	
	2023	**2022**	**2023**	**2022**
Total revenues	**71,602**	54,157	**203,312**	140,357
Gross margin	**17,440**	9,756	**46,531**	27,158
(Reversal of write-down) of real estate held for development and sale	**(700)**	(1,086)	**(700)**	(1,086)
Gross margin before reversal of write-down	**16,740**	8,670	**45,831**	26,072
Gross margin before reversal of write-down (%)	**23.4%**	16.0%	**22.5%**	18.6%

Net debt is a non-GAAP measure, and therefore may not be comparable to similar measures presented by other reporting issuers. Net debt is calculated as the difference between cash and cash equivalents and loan and credit facilities. Management believes that net debt 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:

	December 31, 2023	**December 31, 2022**
Cash and cash equivalents	**37,546**	36,598
Loan and credit facilities	**103,587**	65,057
Net debt	**(66,041)**	(28,459)

TRADING AND SHARE STATISTICS

The Corporation's trading and share statistics for 2023 and 2022 are provided below:

	2023	**2022**
Average daily trading volume	**2,844**	7,581
Share price ($/share)		
High	**2.50**	2.98
Low	**1.95**	1.83
Close	**2.30**	2.03
Market capitalization at December 31,	**130,645**	115,433
Shares outstanding	**56,802,308**	56,863,335

OTHER

Additional information relating to the Corporation can be found on SEDAR+ at www.sedarplus.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:

<table>
<tr><th>Forward-looking statements in this MD&A include, but are not limited to:</th><th>Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to:</th></tr>
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• the availability of excess cash on hand and its proposed use;
• the future exercise of any right to purchase;
• the timing and approval of the conceptual scheme for the OMNI ASP and an interchange to provide primary transportation access to these lands;
• 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 Genesis' business, including community and project 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;
• common share buybacks;
• the payment of dividends; and
• the ability to continue to renew or repay financial obligations and to meet liabilities as they become due.
</td><td>
• 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 and the strength and growth of the Calgary economy;
• 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.sedarplus.com, including in this MD&A under the heading "Risks and Uncertainties" and the AIF under the heading "Risk Factors".
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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.

Sage Hill Crest
NW CALGARY

Consolidated FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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 three 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

ROB SEKHON
Chief Financial Officer

March 6, 2024

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, 2023 and December 31, 2022, 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 material accounting policy information.

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, 2023 and December 31, 2022, 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.

<table>
<tr><th>KEY AUDIT MATTERS DESCRIPTION</th><th>AUDIT RESPONSE</th></tr>
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Real Estate Held for Development and Sale

As at December 31, 2023, approximately 78% of the Corporation's assets or $342.8 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.

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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.
- We engaged our internal valuations group to review the independent appraisals to verify that the valuation methodologies used by the independent appraisers was generally accepted.
- 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

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MNP LLP

	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.
Provision for Future Development Costs As described in Notes 2n and 15, 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.

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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.

MNP LLP

- 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 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 6, 2024

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

	Notes	December 31, 2023	December 31, 2022
Assets			
Real estate held for development and sale	5	**342,791**	265,683
Amounts receivable	6	**28,156**	22,165
Vendor-take-back mortgage receivable	7	**1,976**	-
Investments in land development entities	8	**7,160**	6,730
Investment in joint venture	9	**3,581**	3,588
Other operating assets	10	**10,907**	20,679
Right-of-use assets	11	**482**	562
Deferred tax assets	12	**7,484**	8,135
Cash and cash equivalents		**37,546**	36,598
Total assets		**440,083**	364,140
Liabilities			
Loan and credit facilities	13	**103,587**	65,057
Customer deposits	14	**17,470**	15,753
Accounts payable and accrued liabilities	22a	**22,579**	12,470
Accounts payable related to residential lot purchases	22a	**32,319**	17,944
Lease liabilities		**712**	841
Income tax payable		**1,706**	704
Provision for future development costs	15	**20,569**	24,034
Total liabilities		**198,942**	136,803
Commitments and contingencies	21		
Subsequent events	13a, 17b		
Equity			
Share capital	16	**82,293**	82,383
Contributed surplus		**1,063**	1,063
Retained earnings		**147,786**	141,186
Shareholders' equity		**231,142**	224,632
Non-controlling interest		**9,999**	2,705
Total equity		**241,141**	227,337
Total liabilities and equity		**440,083**	364,140

See accompanying notes to the consolidated financial statements.

ON BEHALF OF THE BOARD:

Stephen J. Griggs
Director and Chair

Steven Glover
Director and Chair of the Audit Committee

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2023 and 2022
(In thousands of Canadian dollars except per share amounts)

	Notes	Year ended December 31, 2023	2022
Revenues			
Sales revenue		**203,202**	140,241
Other revenue		**110**	116
	23	**203,312**	140,357
Direct cost of sales		**(157,481)**	(114,285)
Reversal of write-down of real estate held for development and sale	5	**700**	1,086
		(156,781)	(113,199)
Gross margin		**46,531**	27,158
Gain in investments in land development entities	8	**1,106**	560
General and administrative	18	**(18,098)**	(14,786)
Selling and marketing	19	**(8,484)**	(5,815)
		(25,476)	(20,041)
Earnings from operations		**21,055**	7,117
Finance income		**1,543**	512
Finance expense	20	**(4,373)**	(1,612)
Earnings before income taxes		**18,225**	6,017
Income tax expense	12	**(4,162)**	(1,628)
Net earnings being comprehensive earnings		**14,063**	4,389
Attributable to non-controlling interest	24, 26	**(449)**	(131)
Attributable to equity shareholders		**14,512**	4,520
Net earnings per share - basic and diluted	16b	**0.26**	0.08

See accompanying notes to the consolidated financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2023 and 2022

(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, 2021		56,863,335	82,383	1,045	145,196	228,624	7,314	235,938
Share-based payments	17c	-	-	18	-	18	-	18
Dividends	16d	-	-	-	(8,530)	(8,530)	-	(8,530)
Distributions and other		-	-	-	-	-	(4,478)	(4,478)
Net earnings (loss) being comprehensive earnings (loss)		-	-	-	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**

At December 31, 2022		56,863,335	82,383	1,063	141,186	224,632	2,705	227,337
Dividends	16d	-	-	-	(9,663)	(9,663)	-	(9,663)
Normal course issuer bid	16c	(61,027)	(90)	-	(45)	(135)	-	(135)
Distributions		-	-	-	-	-	(1,398)	(1,398)
Changes of ownership interest / Contribution	24	-	-	-	1,796	1,796	9,141	10,937
Net earnings (loss) being comprehensive earnings (loss)		-	-	-	14,512	14,512	(449)	14,063
At December 31, 2023		**56,802,308**	**82,293**	**1,063**	**147,786**	**231,142**	**9,999**	**241,141**

See accompanying notes to the consolidated financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(In thousands of Canadian dollars)

	Notes	Year ended December 31, 2023	2022
Operating activities - inflows (outflows)			
Residential home sales		**167,673**	104,049
Residential lot sales		**16,948**	16,742
Development land sales		**14,237**	15,991
Sale of ownership interest in Lewiston Lands Limited Partnership (“LLLP”)	24	**11,760**	-
Interest		**1,543**	512
Residential home construction		**(104,662)**	(84,478)
Land development		**(68,146)**	(33,820)
Lots and land acquisitions		**(19,590)**	(39,245)
Suppliers and employees		**(24,056)**	(19,572)
Income tax		**(3,332)**	(4,246)
Other		**(174)**	311
Cash flows used in operating activities		**(7,799)**	(43,756)
Investing activities			
Investment in joint venture	9	**-**	(3,589)
Acquisition of equipment		**(663)**	(607)
Change in restricted cash		**1,325**	2,093
Distribution received from joint venture	8	**676**	-
Cash flows from (used in) investing activities		**1,338**	(2,103)
Financing activities			
Advances from loans and credit facilities	13	**82,887**	84,151
Repayments of loans and credit facilities		**(59,450)**	(42,389)
Repayment of vendor-take-back mortgage payable		**-**	(9,312)
Interest and fees paid on loans and credit facilities		**(5,244)**	(2,452)
Distributions to unit holders of limited partnerships		**(986)**	(2,986)
Cancellation of shares under NCIB	16c	**(135)**	-
Dividends paid	16d	**(9,663)**	(8,530)
Cash flows from financing activities		**7,409**	18,482
Change in cash and cash equivalents		**948**	(27,377)
Cash and cash equivalents, beginning of year		**36,598**	63,975
Cash and cash equivalents, end of year		**37,546**	36,598

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 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.

The consolidated financial statements of Genesis were approved for issuance by the Board of Directors on March 6, 2024.

2. MATERIAL 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, often multi-year 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 26) 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:

• Amounts receivable	Amortized cost
• Vendor-take-back mortgage receivable	Amortized cost
• Investments in land development entities	FVTPL
• Restricted cash	FVTPL
• Cash	FVTPL
• Cash equivalents	Amortized cost
• Loan and credit facilities	Amortized cost
• Deposits	Amortized cost
• Accounts payable and accrued liabilities	Amortized cost
• Cash settled deferred share units	FVTPL

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.

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 end 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) **Changes in ownership interests**

During the year ended December 31, 2022, 100% of Lewiston Lands Limited Partnership was owned by the Corporation. During the year ended December 31, 2023, the Corporation sold 40% of its ownership stake in LLLP to two Calgary based third party home builders (note 24). This transaction resulted in a change in ownership interest while still retaining control and is accounted for as a transaction with equity holders. As a result, no gain or loss was recognized in profit or loss; instead, it was recognized in equity. The interests of the parent and non-controlling interest ("NCI") in the subsidiary have been adjusted to reflect the relative change in the interest in the subsidiary's equity. The amount by which the NCI is adjusted, and the fair value of the consideration paid or received is recognized directly in retained earnings in shareholders' equity and attributed to the owners of the parent.

r) **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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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 obtained from 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 2023

The Corporation adopted no new IFRSs and interpretations during 2023.

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 2023 and 2024.

(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

Net book value	Lots, Multi-family & Commercial	Land Held for Development	Home Building	Total
As at December 31, 2021	37,490	152,495	28,870	218,855
Development activities	3,180	31,476	53,727	88,383
Transfer	39,950	(39,950)	-	-
Acquisitions	-	29,150	22,188	51,338
Sold	(37,700)	-	(56,279)	(93,979)
(Write-down) / reversal of write-down of real estate held for development and sale	(112)	1,198	-	1,086
As at December 31, 2022	42,808	174,369	48,506	265,683
Development activities	6,847	49,216	81,437	137,500
Transfer	29,831	(29,831)	-	-
Acquisitions	-	23,295	40,679	63,974
Sold	(42,758)	-	(82,308)	(125,066)
Reversal of write-down of real estate held for development and sale	700	-	-	700
As at December 31, 2023	**37,428**	**217,049**	**88,314**	**342,791**

Acquisitions amounts during the year ended December 31, 2023 in the table above include $40,679 related to the purchase of residential lots and $23,295 related to the purchase of future residential development land (2022 - $22,188 and $29,150 respectively). These amounts include:

a) The Corporation entered into binding agreements to acquire 253 residential lots in the Calgary Metropolitan Area for $40,679. The Corporation paid non-refundable deposits of $11,526 with the balance of $29,153, due on closing which is scheduled between February 2024 and June 2026.
b) The Corporation closed the acquisition of 460 acres of future residential development land in the southeast sector of the City of Calgary for $25,842 (note 13b).

During the year ended December 31, 2023, the Corporation closed the sales of four parcels of land for $16,200 (2022 - five parcels for $15,991).

During the year ended December 31, 2023, interest of $1,124 (2022 - $822) was capitalized as a component of development activities.

During the year ended December 31, 2023, the Corporation recorded a reversal of write-down of $700 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 (2022 - $1,086).

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

6. AMOUNTS RECEIVABLE

	2023	2022
Agreements receivable	**26,623**	21,207
Other receivables	**1,533**	958
	28,156	22,165

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 22a). Certain agreements receivable and mortgages receivable, if any, are interest bearing.

7. VENDOR-TAKE-BACK MORTGAGE RECEIVABLE

	2023	2022
Vendor-take-back mortgage receivable	**1,976**	-

The Corporation closed the sale of a 2.91-acre parcel of development land on December 1, 2023 for $3,929, comprised of a cash consideration of $1,965 and the remainder as a vendor-take-back mortgage receivable of $1,964 bearing an annual interest at the prime rate. The principal and interest on the vendor-take-back mortgage receivable is due on or before March 15, 2024.

8. 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
Distribution received	(676)	-	(676)
Gain in fair value	396	710	1,106
As at December 31, 2023	**1,950**	**5,210**	**7,160**

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 comparable assets. During the year ended December 31, 2023, the Corporation recorded $1,106 as a gain in investment in land development entities (2022 - $560).

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

9. JOINT VENTURE

The Corporation and a private company entered into a limited partnership agreement in 2021 to form Sage Hill Estates Apartments LP ("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 in 2022. 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 $3,581 at December 31, 2023 (December 31, 2022 - $3,588). During the year ended December 31, 2023, there were minimal transactions in SHEA LP.

10. OTHER OPERATING ASSETS

	2023	2022
Deposits	**6,728**	11,122
Restricted Cash	**1,551**	6,849
Prepayments	**1,046**	1,118
Property, equipment and other	**1,582**	1,590
	10,907	20,679

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 21a for additional information).

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

11. LEASES

Right-of-Use Assets	Office Building	Other [1]	Total
As at January 1, 2023	426	136	562
Additions	-	168	168
Depreciation charge for the year [2]	(102)	(146)	(248)
As at December 31, 2023	**324**	**158**	**482**
As at December 31, 2022	426	136	562

Lease Liabilities	Office Building	Other [1]	Total
As at January 1, 2023	670	171	841
Additions	-	204	204
Lease payments	(178)	(195)	(373)
Interest for the year [2]	29	11	40
As at December 31, 2023	**521**	**191**	**712**
As at December 31, 2022	670	171	841

Lease Liabilities - undiscounted cash flows	Office Building	Other [1]	Total
January 1, 2024 to December 31, 2024	178	171	349
January 1, 2025 to November 30, 2027	385	30	415
As at December 31, 2023	**563**	**201**	**764**
As at December 31, 2022	741	178	919

Amounts recognized in statements of comprehensive income	Office Building	Other [1]	Total
Interest on lease liabilities	29	11	40
Total for the year ended December 31, 2023	**29**	**11**	**40**
Total for the year ended December 31, 2022	34	8	42

Amounts recognized in the statement of cash flows [3]	Office Building	Other [1]	Total
Interest paid	29	11	40
Payment of lease liabilities	149	184	333
Total for the year ended December 31, 2023	**178**	**195**	**373**
Total for the year ended December 31, 2022	63	206	269

(1) *Includes showhomes leaseback, photocopiers and trucks.*

(2) *Discount rate used ranged between 4.04% and 8.22%.*

(3) *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)

12. INCOME TAXES

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

	2023	2022
Current income tax expense	**3,732**	2,859
Deferred income tax expense (recovery)	**430**	(1,231)
Income tax expense	**4,162**	1,628

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% (2022 - 23.00%) to earnings before income taxes. The difference resulted from the following:

	2023	2022
Earnings before income taxes	**18,225**	6,017
Statutory tax rate	**23.00%**	23.00%
Expected income tax expense	**4,192**	1,384
Utilization of previously unrecognized tax losses	**(241)**	-
True-up of current tax liability	**(190)**	(21)
Share-based compensation	**248**	235
Other	**78**	(6)
Non-controlling interest	**75**	36
Tax expense for the year	**4,162**	1,628

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

	2023	2022
Deferred tax assets	**8,613**	9,033
Deferred tax liabilities	**(1,129)**	(898)
Net deferred tax assets	**7,484**	8,135

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

	2023	2022
Real estate held for development and sale	**5,308**	5,756
Reserves from land sales	**(804)**	(612)
Unamortized financing costs	**2,632**	2,780
Other temporary differences	**348**	211
Net deferred tax assets	**7,484**	8,135

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

13. LOAN AND CREDIT FACILITIES

	2023	**2022**
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, 2023, the facility was extended and matures on February 1, 2027. In addition, the interest rate per annum has been reduced to prime +1.65%.	**12,800**	25,626
Secured by agreements receivable and real estate held for development and sale (b) Vendor-take-back loan ("VTB") at 0% per annum is measured at amortized cost and whose fair value is based on discounted future cash flows, using an 8% discount rate. The $18,088 VTB was entered into on November 30, 2023 in partial payment for the purchase of southeast Calgary lands and is secured by these lands which have a carrying value of $22,700. The VTB is to be paid in four annual installments of $4,522 each, commencing November 20, 2024 and ending November 20, 2027 (note 5).	**18,088**	-
Unamortized portion of the discount on the VTB.	**(3,010)**	-
c) 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 $12,814. Loan amounts are due between May 12, 2024, and March 19, 2025.	**12,729**	12,522
d) Demand land project servicing facility up to $35,428 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 $59,206. The facility matures on July 31, 2026.	**13,455**	-
e) 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 $59,206. Loan amount is due on October 27, 2025.	**21,500**	20,198
f) Demand operating credit facility up to $16,000 from a major Canadian chartered bank, bearing interest at prime +0.25% per annum, secured by real estate held for development and sale with a carrying value of $33,436. Loan amount is due on November 30, 2026.	**15,098**	-
Secured by housing projects under development and a corporate guarantee g) Demand operating credit facility up to $25,000 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 does not have a specified maturity date.	**13,664**	7,364
	104,324	65,710
Deferred fees on loan and credit facilities	**(737)**	(653)
	103,587	65,057

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 7.90% (December 31, 2022 - 7.52%) based on December 31, 2023 balances.

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

13. LOAN AND CREDIT FACILITIES (continued)

During the year ended December 31, 2023, the Corporation received advances of $82,887 (2022 - $84,151) and made repayments of $59,450 (2022 - $42,389) relating to various loan facilities. These loan facilities bear interest ranging from prime +0.25% to prime +1.90% per annum, with maturity dates ranging from May 12, 2024 to November 30, 2026. During the year ended December 31, 2023, the Corporation incurred interest expense of $5,004 directly related to these loans (2022 - $2,027).

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, 2023 and 2022, the Corporation and its subsidiaries were in compliance with all loan covenants.

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 and unamortized portion of the discount on the VTB):

January 1, 2024 to December 31, 2024	26,916
January 1, 2025 to December 31, 2025	30,022
January 1, 2026 to December 31, 2026	45,875
January 1, 2027 to December 31, 2027	4,521
	107,334

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

14. CUSTOMER DEPOSITS

	2023	2022
Customer deposits on residential home sales	**13,426**	9,194
Customer deposits on residential lot and development land sales	**4,044**	6,559
	17,470	15,753

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.

15. 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
Additions	10,774	27,363	38,137
Changes to estimates	(935)	(371)	(1,306)
Development activities	(14,045)	(26,251)	(40,296)
As at December 31, 2023	**15,899**	**4,670**	**20,569**

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

16. 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, 2023 and 2022:

	2023	2022
Basic and diluted weighted average number of common shares	**56,849,817**	56,863,335

In calculating the diluted earnings per share for the years ended December 31, 2023 and 2022, the Corporation excluded all options as they were cancelled effective May 25, 2022.

c) Normal course issuer bid ("NCIB")

The Corporation renewed its NCIB on December 13, 2023. The renewed NCIB commenced on December 18, 2023 and will terminate on the earlier of: (i) December 17, 2024; 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 2,840,528 common shares under the NCIB.

The prior NCIB, which expired on December 15, 2023, allowed the Corporation to purchase for cancellation up to 2,843,166 common shares.

The following table sets forth the number of common shares repurchased and cancelled during the year ended December 31, 2023 and 2022 under the NCIB.

	2023	2022
Number of shares repurchased and cancelled	**61,027**	-
Reduction in share capital	**90**	-
Change in retained earnings	**45**	-
Reduction in shareholders' equity	**135**	-
Average purchase price per share	**2.20**	-

d) Dividends paid

Cash dividends of $9,663 ($0.17 per share) were declared and paid during the year ended December 31, 2023. Cash dividends of $8,530 ($0.15 per share) were declared and paid during the year ended December 31, 2022.

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

17. SHARE-BASED COMPENSATION

a) Stock option plan

During the year ended December 31, 2022, all 855,000 stock options with a weighted average exercise price of $3.31 were cancelled.

b) Deferred share unit ("DSU") plan

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, ranging from immediate vesting up to four years. Details of outstanding DSUs are as follows:

	2023	2022
DSUs outstanding - beginning of year	**1,065,060**	573,743
DSUs granted	**374,918**	491,317
DSUs redeemed / cancelled	**(86,534)**	-
DSUs outstanding - end of year	**1,353,444**	1,065,060
DSUs vested - end of year	**912,258**	641,043

The outstanding liability related to cash settled DSUs as at December 31, 2023 was $2,863 (December 31, 2022 - $1,950) 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. The 2023 expense recorded in General and Administrative (note 18) amounted to $1,077 (2022 - $1,003)

Subsequent to December 31, 2023, the Corporation granted 190,351 DSUs at $2.28 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:

	2023	2022
Stock options	**-**	18
Deferred share units related to grants which are to be cash settled	**1,077**	1,003
Total share-based compensation expense	**1,077**	1,021

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

18. GENERAL AND ADMINISTRATIVE

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

	2023	2022
Compensation and benefits	**12,286**	9,499
Share-based compensation	**1,077**	1,021
Corporate administration	**3,247**	2,930
Professional services	**1,488**	1,336
	18,098	14,786

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

	2023	2022
Salaries, wages and benefits	**2,672**	2,423
Share-based compensation	**1,077**	1,021
	3,749	3,444

19. SELLING AND MARKETING

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

	2023	2022
Advertising and marketing	**3,632**	3,452
Sales commissions	**4,852**	2,363
	8,484	5,815

20. FINANCE EXPENSE

Finance expense of the Corporation consisted of the following:

	2023	2022
Interest incurred	**4,912**	1,989
Interest relating to VTBs	**199**	105
Financing fees amortized	**386**	340
Interest and financing fees capitalized (note 5)	**(1,124)**	(822)
	4,373	1,612

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

21. 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, 2023, these amounted to $7,103 (December 31, 2022 - $5,414).

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, 2024 to December 31, 2024	8,516
January 1, 2025 to December 31, 2025	5,050
January 1, 2026 to December 31, 2026	4,428
	17,994

c) The Corporation has contracted to acquire 186 residential lots in the Calgary Metropolitan Area for $33,655 from third-party land developers and LLLP, a limited partnership in which Genesis owns a 60% interest (refer to note 24). The Corporation has paid deposits totaling $2,670 with the remainder being payable as follows:

	Third-party land developers	LLLP	Total
January 1, 2024 to December 31, 2024	3,087	9,070	12,157
January 1, 2025 to December 31, 2025	13,857	1,186	15,043
January 1, 2026 to December 31, 2026	3,785	-	3,785
	20,729	10,256	30,985

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.

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

22. 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, 2023 and December 31, 2022 are presented in the following table:

			Carrying Value		Fair Value	
	Fair Value Hierarchy	**Measurement Basis**	**As at Dec. 31, 2023**	**As at Dec. 31, 2022**	**As at Dec. 31, 2023**	**As at Dec. 31, 2022**
Financial Assets						
Cash	Level 1	FVTPL	**37,546**	36,598	**37,546**	36,598
Investments in land development entities	Level 3	FVTPL	**7,160**	6,730	**7,160**	6,730
Restricted cash [(1)]	Level 1	FVTPL	**1,551**	6,849	**1,551**	6,849
Financial Liabilities						
Cash settled DSUs	Level 1	FVTPL	**2,863**	1,950	**2,863**	1,950

[(1)] Included in other operating assets.

During the year ended December 31, 2023 and 2022, 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)

22. FINANCIAL INSTRUMENTS (continued)

a) Risks associated with financial instruments

(i) Credit risk

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, 2023, which comprise greater than 10% of total amounts receivable, totaled $26,623 from two customers (December 31, 2022 - $21,207 from two customers).

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

	2023	2022
Due on sold lots	**26,623**	21,207
Other receivables	**1,533**	958
	28,156	22,165

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

22. FINANCIAL INSTRUMENTS (continued)

(ii) Liquidity risk

The contractual maturities of financial liabilities and other commitments as at December 31, 2023 were as follows:

	<1 Year	>1 Year	Total
Financial liabilities			
Accounts payable and accrued liabilities	22,579	-	22,579
Accounts payable related to residential lot purchases	24,131	8,188	32,319
Loan and credit facilities excl. deferred fees on loan and credit facilities and unamortized portion of the discount on the VTB (note 13)	26,916	80,418	107,334
	73,626	88,606	162,232
Commitments			
Lease obligations (including variable operating costs)	585	929	1,514
Land purchase contract (note 21d)	-	26,700	26,700
Lot purchase contracts (note 21c)	12,158	18,827	30,985
Levies and municipal fees (note 21b)	8,516	9,478	17,994
	21,259	55,934	77,193
	94,885	144,540	239,425

As at December 31, 2023, the Corporation had obligations due within the next 12 months of $94,885 (December 31, 2022 - $48,824). 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, 2023, the Corporation's operating line of credit facility was increased from $10,000 to $25,000 (note13g) and the corporate revolving line of credit was extended until February 2027 with the interest rate per annum reduced to prime +1.65% (note 13a). LLLP put in place a demand land servicing credit facility of $35,428 (note 13d) and Huxley Lands Limited Partnership also put in place a demand operating credit facility of $16,000 (note 13f).

(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 $892 annually on floating rate facilities (2022 - $657).

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:

	2023	2022
Loan and credit facilities (note 13)	**103,587**	65,057
Shareholders' equity	**231,142**	224,632
	334,729	289,689

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

23. SEGMENTED INFORMATION

The income producing business units of the Corporation reported the following activities for the year ended December 31, 2023 and 2022:

	Land Development Segment				Home Building Segment	Intersegment Elimination	Total
Year ended December 31, 2023	**Genesis**	**LP**	**Intrasegment Elimination**	**Total**			
Revenues	45,847	16	-	45,863	167,126	(25,877)	**187,112**
Revenues - development lands	16,200	1,253	(1,253)	16,200	-	-	**16,200**
Direct cost of sales	(52,655)	(935)	935	(52,655)	(130,703)	25,877	**(157,481)**
Reversal of write-down of real estate held for development and sale	700	-	-	700	-	-	**700**
Gross margin	10,092	334	(318)	10,108	36,423	-	**46,531**
Gain in investments in land development entities	1,106	-	-	1,106	-	-	**1,106**
G&A, selling & marketing and net finance expense	(11,474)	(80)	-	(11,554)	(17,858)	-	**(29,412)**
(Loss) earnings before income taxes and non-controlling interest	(276)	254	(318)	(340)	18,565	-	**18,225**
Segmented assets as at December 31, 2023	320,723	2,209	(4,987)	317,945	111,979	10,159	**440,083**
Segmented liabilities as at December 31, 2023 (1), (2)	114,081	648	(539)	114,190	74,593	10,159	**198,942**
Segmented net assets as at December 31, 2023 (1), (2)	206,642	1,561	(4,448)	203,755	37,386	-	**241,141**

	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**

(1) Segmented liabilities under the Genesis land development segment include $12,588 due to the home building segment (December 31, 2022 - $61 due from the home building segment to the land development segment).

(2) Segmented liabilities under the LP segment is comprised of accounts payable and accrued liabilities and includes $539 (December 31, 2022 - $365) due to Genesis.

24. LEWISTON LANDS LIMITED PARTNERSHIP

In December 2022, the Corporation 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 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). LLLP accounts for $8,438 of the NCI on the consolidated balance sheets (December 31, 2022 - $Nil) and ($703) on the consolidated statements of comprehensive income (December 31, 2022 - $Nil).

25. RELATED PARTY TRANSACTIONS

Transactions occurred with the following related parties:

In 2005, the Corporation sold a 49% undivided interest in approximately 610 acres to Genesis Limited Partnership #4 and GLP5 NE Calgary Development Inc. (collectively, “LP4/5 group”) for $7,670. 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 of LP4/5 group were $5,038 with the remainder of $1,661 being applied against debt owed to the Corporation by LP4/5 group. In February 2023, the Corporation 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 100% interest in 456 acres of land and a 73% interest (previously 59%) in the 185-acre OMNI project, with the remaining 27% being held by Genesis Limited Partnership #4.

26. 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 (with the exception of LLLP and Huxley Lands Limited Partnership); 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.

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

26. CONSOLIDATED ENTITIES (continued)

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

	% equity interest as at	
Name	**December 31, 2023**	**December 31, 2022**
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%
Genesis Keystone Ltd.	-	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%	100%
GLDC Management Inc.	100%	100%
Lewiston Lands Limited Partnership (note 24)	60%	100%
Lewiston Lands GP Inc.	100%	100%
Huxley Lands Limited Partnership	100%	-
Huxley Lands GP Inc.	100%	-
GP GLP8 Inc.	100%	100%
GP LPLP 2007 Inc.	100%	100%
Home Building		
Genesis Builders Group Inc.	100%	100%
The Breeze Inc.	-	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%
LPLP 2007 Group		
Limited Partnership Land Pool (2007)	-	0.023%
GP RRSP 2007 Inc., LPLP 2007 Subco Inc.	-	0%
LPLP 2007 Subco #2 Inc., LP RRSP Limited Partnership #1	-	0%
LP RRSP Limited Partnership #2	-	0%

[(1)] The allocation of profit or loss is 0% in accordance with the terms of the limited partnership agreement.

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

26. 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, 2023		
	LP 4/5	LPLP 2007	Total
Assets			
Real estate held for development and sale	2,204	-	**2,204**
Other operating assets including restricted cash	5	-	**5**
Total assets	2,209	-	**2,209**
Liabilities			
Accounts payable and accrued liabilities	109	-	**109**
Due to related parties	539	-	**539**
Total liabilities	648	-	**648**
Net assets	1,561	-	**1,561**
Non-controlling interest (%)	100%	0%	100%

	December 31, 2022		
	LP 4/5	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%	100%	

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

26. CONSOLIDATED ENTITIES (continued)

SUMMARIZED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31, 2023		
	LP 4/5	LPLP 2007	Total
Revenues	1,269	-	**1,269**
Net income	254	-	**254**
Non-controlling interest (%)	100%	n/a	

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

SUMMARIZED STATEMENT OF CASH FLOWS

	Year ended December 31, 2023		
	LP 4/5	LPLP 2007	Total
Cash flows from operating activities	-	-	**-**
Net decrease in cash and cash equivalents	-	(38)	**(38)**

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

Genesis
CONTACTS

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Chief Financial Officer

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BRIAN WHITWELL
Senior Vice-President, Asset Management

WAYNE KING
Senior Vice-President, Information Systems & Special Projects

ARNIE STEFANIUK
Vice-President, Regional Planning

BRENDAN McCASHIN
Vice-President, Land Development

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Chair

STEVEN GLOVER
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