GENESIS LAND DEVELOPMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and year ended December 31, 2018

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 consolidated financial statements and the notes thereto for years ended December 31, 2018 and 2017, 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.sedar.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 14, 2019.

STRATEGY AND 2018 BUSINESS PLAN

Strategy

Genesis Land Development Corp. ("Genesis" or the "Corporation") is a land developer and residential home builder operating in the Calgary Metropolitan Area ("CMA"), holding and developing a significant portfolio of well-located, entitled and unentitled residential, commercial and mixed-use 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 also sells lots and completed homes through its home building division. The land portfolio is planned, developed, serviced and sold at opportune times with the objective of maximizing the risk adjusted net present value of the land and to maximize net cash flow.

Home building is operated through a wholly-owned subsidiary, Genesis Builders Group Inc. ("GBG"). GBG designs, constructs and sells single-family homes and townhouses primarily on lands developed by Genesis. The objective of the home building division is to deliver an acceptable return and cash flow from the capital invested in it and to sell Genesis single-family lots and townhouse land parcels.

In mid-2018, the strategic plan of the Corporation was updated. As a part of this update, the Corporation identified that there was the potential to acquire additional residential development lands in the CMA, primarily with the objective of replacing the lots and parcels sold by the Corporation. The Corporation is actively exploring potential CMA land acquisitions, although there is no assurance that any suitable transactions can be completed.

As part of its overall strategy, Genesis continues to focus on minimizing overhead costs and long-term commitments, where possible, to preserve flexibility.

When considered prudent, excess cash on hand is generally used to pay dividends to shareholders and/or buy back common shares and opportunistically acquire additional development land.

Market Overview

The Alberta economy continues to slowly recover from the major recession brought on by the collapse in global oil prices near the end of 2014. Global oil prices have improved although, with insufficient "take-away" capacity in pipelines for Alberta production, material and volatile discounts from international prices have continued. In addition, natural gas prices continue to be very weak, in part due to a similar takeaway capacity issue. As a result, the Alberta energy sector continues to experience low levels of capital investment and reduced employment.

Gross domestic product ("GDP") growth in Alberta was positive in 2018 at an estimated 3.02%, down from 4.75% in 2017. The Conference Board of Canada forecasts 2019 GDP growth of 2.27%, suggesting that the economy will continue to slowly recover in 2019. Reflecting the slow recovery, Calgary's unemployment rate improved to 7.6% at December 2018 from 8.4% at December 2017 and Calgary's population grew by an estimated 21,000 (1.7%) in 2018.

These economic challenges, combined with short term interest rate increases of roughly 1% and changes to the federal mortgage lending rules introduced on January 1, 2018, have resulted in a marked slowdown in home sales in the CMA. For 2018, the Calgary Real Estate Board ("CREB") reported 16,144 homes were sold in Calgary (down 14.5% from 2017), the lowest sales level in the last decade in the CMA. As at December 31, 2018, CREB reported 6 months of supply for home listings in Calgary, up 44% over 2017.

Most land developers and home builders in the CMA, including Genesis, experienced a significant slowdown in sales activity in all areas in 2018 compared to 2017, with fewer sales of residential homes, fewer lots sold to third party builders and lower sales of development lands.

Business Plan

Overall, despite this environment, Genesis generated positive cash flows from operating activities of $14,747 and net earnings of $4,124 in 2018. In addition, dividends of $10,309 ($0.24 per share) were paid to shareholders and $3,501 of shares were repurchased. The Corporation maintained a solid financial position with $24,042 in cash and cash equivalents and $31,696 in loans and credit facilities (being 11% of total assets) at December 31, 2018.

The following highlights progress on the business plan:

1) Maximizing the return of capital to shareholders and investing in additional lands

Genesis paid $10.3 million in dividends ($0.24 per common share) and repurchased 1,069,100 shares for a total of $3.5 million in 2018.

Since 2014 when it paid its first dividend, Genesis has returned to shareholders $51.9 million by way of dividends and bought back over 2.7 million common shares for approximately $8.3 million under its normal course issuer bids (approximately 6.1% of the common shares outstanding at the commencement of the program in 2015).

($000s, except for number of shares and per share items)	**Dividend per share**	**Total dividends declared**	**Shares repurchased and cancelled**	**Cost of repurchases**
2018	$0.24	$10,309	1,069,100	$3,501
2017	0.46	19,896	493,085	1,456
2016	0.25	10,936	551,796	1,420
2015	0.12	5,331	628,598	1,887
2014	0.12	5,386	-	-
Total	**$1.19**	**$51,858**	**2,742,579**	**$8,264**

In addition Genesis acquired $5.1 million of land and housing assets in the CMA from the receiver of a third-party builder in a Genesis community in May 2018.

2) Obtaining Additional Zoning and Servicing Entitlements

Genesis continues to make progress in obtaining additional zoning and servicing entitlements including:

- Sage Hill Crossing Outline Plan: Sage Hill Crossing is a mixed-use development in Calgary's northwest quadrant with 49 acres remaining to be developed. Calgary City Council approved an Area Structure Plan ("ASP") amendment for Sage Hill Crossing in September 2017. Genesis submitted its Outline Plan and land use application in December 2017 and has subsequently filed amendments to its original ASP to split the plan into two segments and to make certain modifications to improve their marketability. The southern segment is fully serviced and will be marketable once the required regulatory approvals are in place. The northern segment is currently not serviced and will take two years to be substantially serviced once the required approvals have been obtained. Both applications are in circulation to the appropriate City departments for comments. It is anticipated that Calgary City Council will approve the two applications in 2019.
- Southeast Lands ASP: Genesis owns 349 acres of undeveloped land in Calgary's southeast quadrant. The City of Calgary (the "City") began the process for the creation and subsequent approval of the developer funded "Ricardo Ranch" ASP in January, 2018, with Genesis leading discussions with the City on behalf of the three landowners involved. A draft report of the ASP policies has been circulated to landowners for review, and once all terms and policies are agreed to, the formal circulation process will begin. This ASP is anticipated to be approved by Calgary Planning Commission by mid-2019, and then by Calgary City Council later in 2019. The vast majority of Genesis' land in this ASP is expected to be approved for residential development.

- OMNI ASP: Genesis controls 610 acres of undeveloped land in Rocky View County bordering the northwest quadrant of the City of Calgary, which lands are included in an ASP known as the “OMNI ASP”. The OMNI ASP was approved by Rocky View County (the “County”) in September 2017. The City, as the neighboring municipality, appealed this approval to the Alberta Municipal Government Board (the “MGB”) in October 2017 which held a hearing of this appeal in mid-2018. On December 17, 2018 the MGB issued its ruling and confirmed that the 185 acre OMNI commercial and retail project on the Genesis controlled lands can proceed to the next stage of the development process while the remainder of the lands in the ASP are included in a study area. Genesis is currently preparing a conceptual scheme for submission to the County later in 2019 for the 185 acre OMNI commercial and retail project.

3) Planning for the Development and Sale of Lands

Genesis continues to develop and implement detailed plans for each of its core land holdings, with the objective of maximizing the 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.

In 2018, the Corporation completed the sale of three parcels of multi-family and commercial land (13.2 acres) in Calgary for gross proceeds of $15,126.

Genesis has a multi-family parcel of 4.9 acres under contract to sell, which is expected to be completed in 2020, although there can be no assurances that it will close.

4) Servicing Additional Phases

Servicing of four new phases with a three year estimated budget of approximately $57,000 commenced in Q2 2018. Approximately $20,900 of this was incurred in 2018. All four projects are proceeding on or below budget and within planned timelines. These phases are being financed by land servicing project credit facilities from two major Canadian chartered banks. Servicing is expected to be substantially completed in 2019 and will provide a substantial number of future lots and parcels of land for sale, including:

1) Saddlestone community: The final phase of Saddlestone of 121 single-family lots, two multi-family sites totaling 1.9 acres and a 3.2 acre park;
2) Sage Meadows community: The final phase of Sage Meadows, servicing 18.1 acres with four multi-family sites (of which one was sold in Q4 2018 and another has been contracted for sale), 31 single-family lots on which GBG is expected to build and sell houses and a previously dedicated school site; and
3) Bayside and Bayview communities: Two new phases in Airdrie, including Bayside phase 10 adding 108 lots and Bayview phase 1 adding a 6 acre park and 102 lots.

5) Adding Third-party Builders in Genesis Communities

To diversify offerings within its residential communities, Genesis is assessing various third-party builders to be included in future phases in Genesis’ communities, in addition to the four third-party builders currently working with Genesis.

6) Increasing velocity of homes sold by GBG

Genesis continues to seek ways to sustain and grow sales volumes through innovative designs and creative marketing alternatives while maintaining margins through careful cost control. The difficult housing market conditions, largely due to a weak economic environment, regulatory changes in early 2018 to mortgage loans issued by federally regulated lenders and also generally adopted by provincially regulated lenders and higher mortgage interest rates, have resulted in a material decline in home sales by GBG in 2018 when compared to prior years. In 2018, Genesis sold 121 homes, compared to 148 in 2017. This trend continued in the quarter ended December 31, 2018 with Genesis selling 32 homes in comparison to 44 in the same period in 2017. As at December 31, 2018 Genesis had 34 homes with lots subject to firm sales contracts compared to 31 at December 31, 2017.

Leadership Transition

Effective September 20, 2018, the following executive appointments were made:

- Iain Stewart was appointed President and Chief Executive Officer. Mr. Stewart had been an independent director of Genesis since August 2013, and was Vice Chair of the Board since May 12, 2017 until his executive appointment. Mr. Stewart remains as a member of the Board of Directors.
- Stephen J. Griggs was appointed Executive Chair of the Board. Mr. Griggs has been a director and Chair of the Board since August 2013, and was Chief Executive Officer or interim Chief Executive Officer since February 2016. Mr. Griggs remains as a member of the Board of Directors.

In these new roles, Mr. Stewart and Mr. Griggs are working collaboratively to implement Genesis's strategy and business plan as outlined above.

Long Term Incentive Plan

An equity based long term incentive plan comprised of stock options and deferred share units was approved by the Board to align management incentives with the interests of shareholders.

Outlook

In 2019, Genesis will continue to implement the strategy developed in 2017. The Corporation will focus on developing its assets in a prudent manner and actively market lots, parcels and homes while controlling costs with the goal of maximizing cash flow and maintaining its solid financial position.

With the expected completion in 2019 of the development program started in 2018 for four new phases, and with no additional phases planned to be started in 2019, Genesis expects to have sufficient lot inventory to meet market needs. Genesis will continue to pursue servicing and zoning approvals to maximize the value of its land holdings. The strong land base, integrated approach, solid financial position and experienced team positions Genesis to take advantage of opportunities that may arise in this environment.

For 2019 the business plan remains focused on:

- Maximizing the return of capital to shareholders and investing in additional lands
- Obtaining additional zoning and servicing entitlements
- Planning for the development and sale of lands
- Servicing additional phases
- Adding third-party builders in Genesis communities
- Increasing the velocity of homes sold

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] 2018	Three months ended December 31, [1] 2017	Year ended December 31, [2] 2018	Year ended December 31, [2] 2017
Key Financial Data				
Total revenues	**20,935**	65,644	**81,437**	150,933
Direct cost of sales	**(14,311)**	(36,833)	**(61,024)**	(97,704)
Gross margin	**6,624**	28,811	**20,413**	53,229
Gross margin (%)	**31.6%**	43.9%	**25.1%**	35.3%
Net earnings attributable to equity shareholders	**2,358**	8,713	**4,124**	16,998
Net earnings per share - basic and diluted	**0.06**	0.20	**0.10**	0.39
Cash flows from operating activities	**7,192**	27,298	**14,747**	46,908
Cash flows from operating activities per share - basic and diluted	**0.16**	0.62	**0.34**	1.08
Key Operating Data				
Land Development				
Total residential lots sold (units)	**33**	78	**176**	266
Residential lot revenues	**6,603**	12,203	**31,769**	49,206
Gross margin on residential lots sold	**3,539**	6,432	**12,726**	22,782
Gross margin (%) on residential lots sold	**53.6%**	52.7%	**40.1%**	46.3%
Average revenue per lot sold	**200**	156	**181**	185
Development and non-core land sold	**4,628**	41,000	**15,126**	55,234
Home Building				
Homes sold (units)	**32**	44	**121**	148
Revenues [3]	**16,033**	18,463	**54,113**	67,707
Gross margin on homes sold	**2,451**	2,656	**8,057**	11,257
Gross margin (%) on homes sold	**15.3%**	14.4%	**14.9%**	16.6%
Average revenue per home sold	**501**	420	**447**	457
Homes with lots subject to firm sale contracts (units) at the period end			**34**	31

Key Balance Sheet Data	As at Dec. 31, 2018	As at Dec. 31, 2017
Cash and cash equivalents	**24,042**	23,585
Total assets	**278,156**	301,425
Loans and credit facilities	**31,696**	30,135
Total liabilities	**68,387**	81,884
Shareholders' equity	**191,970**	201,397
Total equity	**209,769**	219,541
Loans and credit facilities (debt) to total assets	**11%**	10%

[1] Three months ended December 31, 2018 and 2017 ("Q4 2018" and "Q4 2017")
[2] Year ended December 31, 2018 and 2017 ("YE 2018" and "YE 2017")
[3] Includes revenues of $6,329 for 32 lots in Q4 2018 and $19,571 for 121 lots in YE 2018 purchased by the Home Building division from the Land Development division (41 and $6,022 in Q4 2017; 134 and $21,214 in YE 2017) and sold with the home. These amounts are eliminated on consolidation.

As noted earlier, Genesis experienced a slowdown in sales activity in all areas in YE 2018 from YE 2017. Overall Revenues for YE 2018 were $81,437 down $69,496 (46%) from $150,933 in YE 2017. The largest contributors to this decline were from development land sales of $15,126 being realized in YE 2018 which compares to $55,234 in YE 2017, with the most significant change being that in YE 2017 an undeveloped land parcel ("Fowler") was sold for proceeds of $41,000; a reduction in residential lots sales to third party builders to 55 lots ($12,132) in YE 2018 from 132 lots ($27,815) in YE 2017, a decline of $15,683 or 56%; and home sales being lower by 18% with 121 units sold ($54,113) vs 148 ($67,707) in YE 2017.

The $44,709 lower revenues in Q4 2018 compared to Q4 2017 relate to volumes with land development sales in Q4 2018 of $4,628 (3.6 acres) compared to $41,000 (319 acres) in Q4 2017, with the latter being a much larger acreage. Only one residential lot was sold in Q4 2018 compared to 37 lots in Q4 2017, generating revenues of $272 and $6,194 respectively. Genesis home sales were lower by 27% in Q4 2018 with 32 units sold ($16,033) vs 44 ($18,463) in Q4 2017.

Gross margins were negatively impacted as the gross margin in YE 2018 was 25% compared to 35% in YE 2017. Gross margins were 32% in Q4 2018 compared to 44% in Q4 2017. These are analyzed in detail in the Land Development and Home Building sections of this MD&A.

The reduced sales activity resulted in net earnings attributable to equity shareholders for YE 2018 of $4,124 ($0.10 per share - basic and diluted) compared to $16,998 ($0.39 per share - basic and diluted) in YE 2017. Net earnings attributable to equity shareholders for Q4 2018 of $2,358 ($0.06 per share - basic and diluted) compared to $8,713 ($0.20 per share - basic and diluted) in Q4 2017. Nonetheless, Genesis generated positive cash flows from operating activities of $14,747 ($0.34 per share - basic and diluted) in YE 2018, compared to cash flows from operating activities of $46,908 ($1.08 per share - basic and diluted) for YE 2017. Cash flows from operating activities were $7,192 ($0.16 per share - basic and diluted) in Q4 2018, compared to cash flows from operating activities of $27,298 ($0.62 per share - basic and diluted) in Q4 2017.

Investment in the development of its properties in 2018 was increased with capital expenditures in 2018 of $28,307 which included the development of four new phases. Taking advantage of market conditions and good weather, Genesis was able to realize savings of over 6% as compared to budget, for these projects. During the year Genesis also purchased $5,124 of land and housing assets in a Genesis community.

Genesis maintained a strong financial position and had $24,042 in cash and cash equivalents at December 31, 2018 compared to $23,585 as at December 31, 2017. Total loans and credit facilities as at December 31, 2018 were $31,696, 5% higher than at December 31, 2017. Loans and credit facilities outstanding at December 31, 2018 were 11% of total book value of assets, compared to $30,135 or 10% of the total book value of assets at December 31, 2017.

In August 2018 a dividend aggregating $10.3 million ($0.24 per share) was declared, which was paid to shareholders in September 2018. During 2018 Genesis repurchased and cancelled 1,069,100 shares under its NCIB at a cost of $3,501 ($3.27 per share).

Factors Affecting Results of Operations

When reviewing the results year over year there are a number of factors that affect the results of operations, including:

- the cyclicality of the oil and gas industry which impacts the Calgary area real estate market and economy;
- the development and servicing of land and the sale of residential lots and other land parcels occurs over a substantial period of time which creates volatility in the revenues, earnings and cash flows from operating activities;
- land and lot prices and gross margins vary by community and lot 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;
- seasonality which has historically resulted in higher revenues in the summer and fall months when home building sales often peak; and
- changes to the regulatory environment both direct and indirect, for example land development approvals and mortgage rules and interest rates.

Land Development

	Three months ended December 31,			Year ended December 31,		
	2018	**2017**	**% change**	**2018**	**2017**	**% change**
Key Financial Data						
Residential lot revenues(1)	**6,603**	12,203	(45.9%)	**31,769**	49,206	(35.4%)
Development land revenues	**4,628**	41,000	(88.7%)	**15,126**	55,234	(72.6%)
Direct cost of sales	**(6,158)**	(27,048)	(77.2%)	**(32,719)**	(61,373)	(46.7%)
Gross margin	**5,073**	26,155	(80.6%)	**14,176**	43,067	(67.1%)
Gross margin (%)(2)	**45.2%**	49.2%		**30.2%**	41.2%	
Write-down of land held for development	**(900)**	-	N/R(4)	**(1,820)**	(1,095)	66.2%
Other expenses(3)	**(1,308)**	(2,642)	(50.5%)	**(5,546)**	(9,374)	(40.8%)
Earnings before taxes	**2,865**	23,513	(87.8%)	**6,810**	32,598	(79.1%)
Key Operating Data						
Residential lots sold to third-parties	**1**	37	(97.3%)	**55**	132	(58.3%)
Residential lots sold through GBG – home building	**32**	41	(22.0%)	**121**	134	(9.7%)
Total residential lots sold	**33**	78	(57.7%)	**176**	266	(33.8%)
Average revenue per lot sold	**200**	156	28.2%	**181**	185	(2.2%)

(1) Includes residential lot sales to third-parties and to GBG
(2) Gross margin amount divided by the sum of residential lot sales and development land sales
(3) Other expenses includes general and administrative, selling and marketing, income or (expense) from joint venture and net finance expense
(4) Not reflective due to percentage change

Gross margin by source of revenue

	Three months ended December 31,		Year ended December 31,	
	2018	**2017**	**2018**	**2017**
Residential lot sales(1)	**6,603**	12,203	**31,769**	49,206
Direct cost of sales	**(3,064)**	(5,771)	**(19,043)**	(26,424)
Gross margin	**3,539**	6,432	**12,726**	22,782
Gross margin (%)(2)	**53.6%**	52.7%	**40.1%**	46.3%
Development land sales	**4,628**	41,000	**15,126**	55,234
Direct cost of sales	**(3,094)**	(21,277)	**(13,676)**	(34,949)
Gross margin	**1,534**	19,723	**1,450**	20,285
Gross margin (%)	**33.1%**	48.1%	**9.6%**	36.7%
Residential lot and development land gross margin	**5,073**	26,155	**14,176**	43,067

(1) Includes residential lot sales to third-parties and to GBG
(2) Gross margin amount divided by residential lot sales

Revenues and Unit Volumes

Total lot sales revenues for the YE 2018 were $31,769 (176 lots), a 35% decrease from the $49,206 (266 lots) sold in YE 2017. This was due, in large part, to 77 fewer lot sales to third-party builders in YE 2018 than in YE 2017 resulting in a decrease in revenue of $15,683. In YE 2018, 55 lots were sold to third-party builders, down 58% from 132 lots sold to third-party builders in YE 2017. In YE 2017, Genesis added a new third-party builder in its Bayview community in Airdrie and, as a result, had higher lot sales revenues due to contracting a large number of residential lots (54 lots) to this builder as it established an inventory of lots. This builder did not purchase any lots in 2018.

GBG sold 121 homes on Genesis lots in YE 2018, down 10% from 134 homes sold on Genesis lots in YE 2017.

Total residential lot sales revenues in Q4 2018 were $6,603 (33 lots), down 46% from $12,203 (78 lots) in Q4 2017. During Q4 2018, one lot was sold to a third-party builder, down 97% from the 37 lots sold to third-party builders in Q4 2017. In Q4 2018, GBG sold 32 homes on Genesis' lots, down 22% from 41 homes sold on Genesis' lots by GBG in Q4 2017.

In YE 2018, the Corporation completed the sale of three parcels of multi-family and commercial land (13.2 acres) in Calgary for gross proceeds of $15,126. In YE 2017, three parcels of development land (2,412 acres) were sold for $55,234. One parcel of development land was sold in Q4 2018 for $4,628, compared to one parcel sold for $41,000 in Q4 2017 by a limited partnership. 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

In YE 2018, the margin realized on residential lot sales was 40% compared to 46% in YE 2017. Residential lot sales in Q4 2018 had a gross margin of 54%, compared to 53% in Q4 2017. Gross margins realized on the sale of development lands were 10% in YE 2018 compared to 37% in YE 2017 and 33% in Q4 2018 compared to 48% in Q4 2017. Q4 2017 and YE 2017 were positively impacted by the sale of a 319 acre parcel of land belonging to a limited partnership for $41,000 at a gross margin of $19,723 (48%). Gross margins vary primarily due to the mix of sales by community and product /lot type, the nature of the development work required to ready the lots for sale and the original cost of the land

Write-down of land held for development

In YE 2018, the Corporation recorded a write-down of $1,820 (2017 - $1,095*)* due to: (1) $920 of costs capitalized during the period (mainly property taxes and interest) relating to a parcel of land held for development that is carried at net realizable value; and (2) $900 due to a reduction in the estimated development potential of a non-core parcel of land in British Columbia belonging to a limited partnership. The provision for write-down may be reversed in the future if the net realizable value of the property exceeds its book value.

Other expenses

Other expenses includes general and administrative, selling and marketing and net finance expense. Other expenses were $3,828 (41%) lower in YE 2018 compared to YE 2017, mainly due to lower sales commissions being paid due to lower development land sales ($1,153) and lower net finance expense ($2,525). Net finance expense was lower due to (i) the reduction in the outstanding balance of a vendor-take-back mortgage payable ("VTB") on Genesis' Calgary southeast lands following an $8,000 payment in January 2018; (ii) the repayment of a third-party loan by a limited partnership in December 2017, and (iii) $336 and $1,333 of finance income earned on the vendor-take-back mortgage receivable during Q4 2018 and YE 2018 respectively (2017 - $58 and $58). Please see information provided under the heading *Vendor-take-back Mortgage Receivable* in this MD&A. In Q4 2018, other expenses were 51% lower at $1,308 when compared to Q4 2017 ($2,642).

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,		
	2018	**2017**	**% change**	**2018**	**2017**	**% change**
Key Financial Data						
Revenues[(1)]	**16,033**	18,463	(13.2%)	**54,113**	67,707	(20.1%)
Direct cost of sales	**(13,582)**	(15,807)	(14.1%)	**(46,056)**	(56,450)	(18.4%)
Gross margin	**2,451**	2,656	(7.7%)	**8,057**	11,257	(28.4%)
Gross margin (%)	**15.3%**	14.4%		**14.9%**	16.6%	
Other expenses[(2)]	**(2,667)**	(2,067)	29.0%	**(9,331)**	(8,842)	5.5%
(Loss) Earnings before taxes	**(216)**	589	(136.7%)	**(1,274)**	2,415	(152.8%)
Key Operating Data						
Homes sold (units)	**32**	44	(27.3%)	**121**	148	(18.2%)
Average revenue per home sold	**501**	420	19.3%	**447**	457	(2.2%)
Homes with lots subject to firm sales contracts (units) at the period end				**34**	31	9.7%

(1) Revenues include residential home sales and other revenue
(2) Other expenses includes general and administrative, selling and marketing and net finance expense

Revenues and Unit Volumes

Revenues for single-family homes and townhomes sold by GBG were $54,113 (121 units) in YE 2018, 20% lower than the revenues of $67,707 (148 units) in YE 2017. Revenues in Q4 2018 were lower than in Q4 2017, with revenues of $16,033 (32 units) in Q4 2018, 13% lower than the $18,463 (44 units) in Q4 2017.

Homes sold in YE 2018 had an average price of $447 per home, down 2% compared to $457 in YE 2017. Homes sold in Q4 2018 had an average price of $501 per home, up 19% compared to $420 in Q4 2017. Fluctuations in the average revenue per home sold were due to differences in product mix and in some cases, the reduction of sales prices to reflect weaker market conditions. In YE 2018, 103 single-family homes and 18 townhouses were sold compared to 127 single-family homes and 21 townhouses in YE 2017. In Q4 2018, 27 single-family homes and 5 townhouses were sold compared to 32 single-family homes and 12 townhouses in Q4 2017.

All homes sold by GBG in YE 2018 were built on residential lots or parcels purchased from Genesis, the parent company, with lot or parcel revenues of $19,571, while in YE 2017, 134 of 148 homes were built on residential lots or parcels supplied by Genesis, with lot revenues of $21,214. The remaining 14 homes sold in YE 2017 were on lots previously acquired by GBG from a third-party developer. All homes sold in Q4 2018 and in Q4 2017 were built on residential lots or parcels supplied by Genesis, with revenues of $6,329 and $6,022, respectively.

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 townhomes generally on a quick possession basis. The delivery time of a pre-construction home can be determined in advance, with a home typically being delivered within 8 to 10 months of a customer signing a purchase agreement. Construction of quick possession homes is started before GBG receives a firm sale contract in order to have sufficient inventory for buyers seeking possession within a short period of time (often 30-90 days), due to the multi-unit nature of town homes and to obtain construction efficiencies. This requires GBG to build homes 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 monitors its home building work-in-progress closely to anticipate and react to market conditions in a timely manner. As at YE 2018, GBG had $25,252 of work in progress, of which approximately $16,459 was related to spec homes (YE 2017 - $20,156 and $11,398).

Of the 121 homes sold in YE 2018, 64% or 77 homes were quick possession sales compared to 148 homes sold in YE 2017 of which 65% or 96 homes were quick possession sales. Of the 32 homes sold in Q4 2018, 59% or 19 homes were quick possession sales (i.e., contracted and delivered within 90 days), compared to 44 homes sold in Q4 2017 of which 80% or 35 homes were quick possession sales.

Gross margin

Genesis had a gross margins on home sales of 15% in YE 2018 as compared to 17% in YE 2017. Gross margin on home sales was 15% in Q4 2018 compared to 14% in Q4 2017. The year over year decline was a result of reducing sales prices marginally to reflect weaker and more competitive market conditions and the change in product mix to lower priced and lower margin homes.

Other Expenses

Other expenses includes general and administrative, selling and marketing and net finance expense. Other GBG expenses in YE 2018 were 6% ($489) higher than in YE 2017, mainly due to higher marketing expenses ($537) and net finance expense ($219), offset by lower general and administrative expenses due to lower compensation expenses ($254). Marketing efforts were increased in an effort to increase home sales in the face of the market conditions in 2018. Other GBG expenses in Q4 2018 were 29% higher than in Q4 2017 due to higher marketing expenses ($102), net finance expense ($135), increases in general and administrative expenses ($311), and compensation expenses ($225).

Real Estate Held for Development and Sale

	December 31,		
	2018	**2017**	**% change**
Real estate held for development and sale	**217,191**	213,629	1.7%
Provision for write-downs	**(14,692)**	(12,872)	14.1%
	202,499	200,757	0.9%

Real estate held for development and sale increased by $1,742 as at YE 2018 compared to YE 2017. Refer to note 5 in the consolidated financial statements for the years ended December 31, 2018 and 2017 which details the gross book value and net book value of real estate held for development and sale.

The following table presents Genesis' real estate held for development and sale as at December 31, 2018.

	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	13,831	34,479	48,310
Calgary NW - Sage Meadows	9,191	7,623	16,814
Calgary NW - Sage Hill Crossing	9,457	29,699	39,156
Calgary NE – Saddlestone	8,457	6,708	15,165
Calgary SE - Southeast lands	-	44,806	44,806
Rocky View County - North Conrich[2]	-	4,798	4,798
Sub-total	40,936	128,113	**169,049**
Other assets[3] - non-core	13	1,976	1,989
Total land development	40,949	130,089	**171,038**
Home building work-in-progress			**25,252**
Total land development and home building			**196,290**
Limited Partnerships[2], [4]			6,209
Total real estate held for development and sale			**202,499**

[1] Land held for development comprises lands not yet subdivided into single-family lots or parcels
[2] Includes the undivided interest of Genesis and two limited partnerships in the "Omni" project.
[3] Other assets are non-core and being marketed for sale.
[4] Net of intra-segment eliminations of $4,194.

The following table presents the breakdown of Genesis' serviced single-family lots, multi-family and commercial parcels by community as at December 31, 2018.

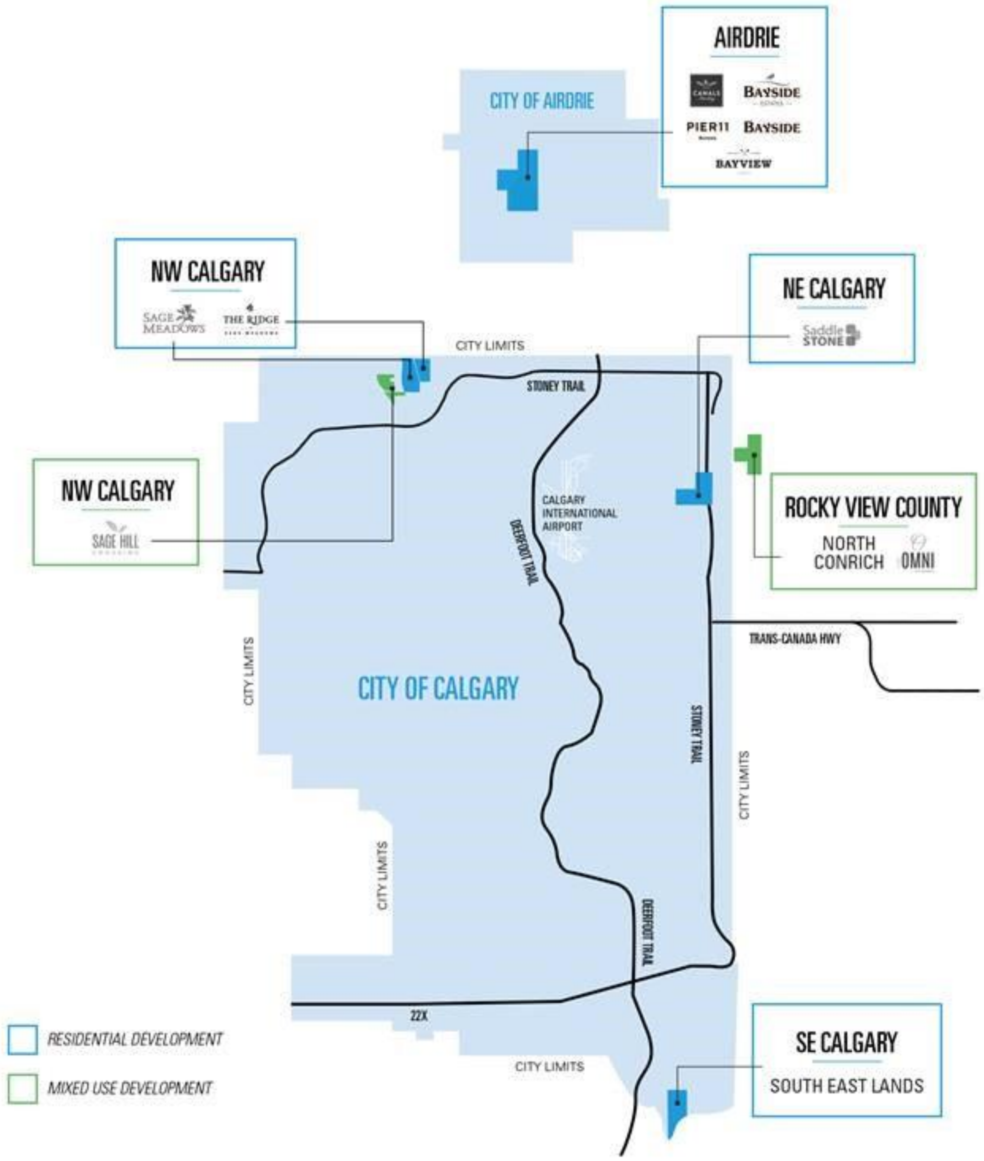
Serviced Lots, Multi-family and Commercial Parcels by Community	**Net Book Value**	**Single-family lots**	**Townhouse units**	**Townhouse/ multi-family parcels**	**Commercial parcels**
Airdrie - Bayside, Bayview, Canals	13,831	102	81	1	-
Calgary NW - Sage Meadows	9,191	26	-	1	-
Calgary NW - Sage Hill Crossing	9,457	-	-	1	1
Calgary NE - Saddlestone	8,457	102	43	-	-
	40,936	**230**	**124**	**3**	**1**
Other assets - non-core	13	14	-	-	-
Total	**40,949**	**244**	**124**	**3**	**1**

The following table presents the estimated equivalent, if and when developed, by community of single-family lots and multi-family and commercial acres of Genesis' land held for development as at December 31, 2018. There can be no assurance as to if or when any of these lands will be developed.

			Estimated Equivalent if/when Developed		
Land Held For Development by Community	**Net Book Value**	**Land (acres)**(1)	**Single-family** (lots)	**Multi-family** (acres)	**Commercial** (acres)
Airdrie - Bayside, Bayview	34,479	244	1,322	9	2
Calgary NW - Sage Meadows	7,623	17	31	14	-
Calgary NW - Sage Hill Crossing	29,699	49	282	9	4
Calgary NE - Saddlestone	6,708	19	121	2	-
Calgary SE - Southeast lands	44,806	349	1,190	16	-
Rocky View County - North Conrich(2)	4,798	312	-	-	-
	128,113	990	2,946	50	6
Other assets - non-core	1,976	333	-	-	-
	130,089	**1,323**	**2,946**	**50**	**6**
Limited Partnerships(2)	6,209	1,437	-	-	-
Total land held for development	136,298	2,760	2,946	50	6

(1) Land not yet subdivided into single-family and other lots or parcels
(2) Includes the undivided interest of Genesis and two limited partnerships in the "Omni" project.

GENESIS' LANDS



Amounts Receivable

	December 31,		
	2018	**2017**	**% change**
Amounts receivable	**14,960**	30,820	(51.5%)

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.

The decrease of $15,860 in amounts receivable was mainly due to the timing of residential lot sales and closings. As at YE 2018, Genesis had $10,569 in amounts receivable related to the sale of 64 lots to third-party builders and a non-core development land parcel ($15), compared to $28,500 in amounts receivable as at YE 2017 related to the sale of 156 lots to third-party builders and a non-core development land parcel ($1,315).

Individual balances due from third-party builders at YE 2018 that were 10% or more of total amounts receivable were $10,082 from three third-party builders (2017 - $25,752 from five customers).

Vendor-take-back Mortgage Receivable

	December 31,		
	2018	**2017**	**% change**
Vendor-take-back mortgage receivable[1]	**20,558**	20,558	0.0%

[1] *Includes accrued interest*

A limited partnership controlled by the Corporation closed the sale of a 319 acre parcel of land on December 15, 2017 for gross proceeds of $41,000, payable $20,500 in cash and $20,500 in a three year vendor take back first mortgage bearing interest at 6.5% per annum payable annually in arrears. The first interest instalment of $1,333 was received in December 2018 (2017 - nil).

Cash Flows from Operating Activities

Cash flow from the operating activities of Genesis varies from quarter to quarter due to the nature of land sales and the timing of the receipt of sale proceeds. Genesis typically receives 15% of the purchase price in cash as a non-refundable deposit from a third-party builder at the time it 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 sale of a lot by GBG to an end buyer is recognized on receipt of the full sale proceeds and the transfer of title to the lot. Cash outflow on land servicing and home building activity can vary from quarter to quarter. These expenditures are seasonal, can be impacted by weather and may be dependent on expected demand and this is considered when planning and incurring expenditures for both home building and land development activities.

	Three months ended December 31,		Year ended December 31,	
	2018	**2017**	**2018**	**2017**
Cash flows from operating activities	**7,192**	27,298	**14,747**	46,908
Cash flows from operating activities per share - basic and diluted	**0.16**	0.62	**0.34**	1.08

The decrease in cash flows from operating activities between YE 2018 and YE 2017 is explained by the following:

	Year ended December 31,		
	2018	**2017**	**Change**
Cash inflows from sale of residential lots	**26,520**	19,444	7,076
Cash inflows from sale of development land	**14,877**	33,311	(18,434)
Cash inflows from sale of residential homes by GBG	**54,353**	67,367	(13,014)
Other cash receipts	**1,744**	118	1,626
Cash outflows for home building activity	**(35,385)**	(36,384)	999
Cash paid to other suppliers and employees and other	**(14,252)**	(14,900)	648
Cash outflows for land servicing	**(19,387)**	(17,993)	(1,394)
Cash outflows on land acquisition	**(5,124)**	-	(5,124)
Income taxes paid	**(8,599)**	(4,055)	(4,544)
Total	**14,747**	46,908	(32,161)

Cash inflows from the sale and closing of residential lots and development land varies quarter to quarter due to the nature of land sales and the timing of the receipt of sale proceeds. Cash inflows from the sale and closing of residential lots to third-parties for 2018 was $26,520 (55 sold and 123 closed) compared to $19,444 in 2017 (132 sold and 86 closed). The increase is mainly due to the collection of amounts receivable in 2018 ($24,340 vs $15,335 in 2017) for residential lot sales that occurred in 2017. Cash inflows from development land sales in 2018 were $14,877 compared to $33,311 in 2017.

Lower cash inflows from the sale of residential homes was due to the fewer homes sold in 2018 (121 homes) compared to 2017 (148 homes), differences in product mix of lower priced single-family homes and townhouses, and the reduction of sales prices to reflect weaker market conditions.

Other cash receipts mainly consisted of finance income and the receipts of cash from cash-secured letters of credit which was slightly higher in 2018 compared to 2017. The interest received mainly relates to the $1,333 interest installment on the VTB mortgage receivable from the sale of a 319 acre parcel of land in December 2017. The requirement to obtain letters of credit varies as development activities are commenced and completed.

Cash outflows for home building activity vary due to the product mix and managing the pace of construction and work-in-progress to meet anticipated demand. Despite the lower cash inflows from the sale of residential homes, cash outflows for home building activity were only slightly lower than in 2017. This was mainly due to the construction of: townhomes, which are built in blocks; additional show homes; and single-family inventory.

Cash outflows for other suppliers and employees decreased in 2018 mainly due to the reduction in office lease payments and lower cash outflows on selling and marketing, partially offset by higher cash outflows on compensation and benefits and professional services.

Cash outflows for land servicing can vary from quarter to quarter as these expenditures are seasonal, impacted by weather and are generally incurred based on expected demand. Genesis began the servicing of four new phases in 2018 and continued development activities in phases started in previous years.

Cash outflows on land acquisition for $5,124 mainly relates to the purchase of land (31 lots) and housing assets in a Genesis community from the receiver of a third-party builder. Refer to note 5 in the consolidated financial statements for the years ended December 31, 2018 and 2017 for additional information.

In 2018, higher cash outflows for income taxes were due to higher 2018 installments, triggered by higher 2017 taxes payable on which the next year's installments are based. At December 31, 2018, $2,283 was in income taxes receivable.

LIABILITIES AND SHAREHOLDERS' EQUITY

The following table presents Genesis' liabilities and equity at YE 2018 and YE 2017:

	December 31,		December 31,	
	2018	**% of Total**	**2017**	**% of Total**
Loans and credit facilities	**31,696**	**11%**	30,135	10%
Dividend payable	**-**	**-**	10,813	4%
Customer deposits	**3,111**	**1%**	4,629	2%
Accounts payable and accrued liabilities	**12,679**	**5%**	8,938	3%
Income tax payable	**-**	**-**	2,785	1%
Provision for future development costs	**20,901**	**8%**	24,584	8%
Total liabilities	**68,387**	**25%**	81,884	28%
Non-controlling interest	**17,799**	**6%**	18,144	6%
Shareholders' equity	**191,970**	**69%**	201,397	66%
Total liabilities and equity	**278,156**	**100%**	301,425	100%

Total liabilities to equity is as follows:

	December 31,	
	2018	**2017**
Total liabilities	**68,387**	81,884
Total equity	**209,769**	219,541
Total liabilities to equity[1]	**33%**	37%

[1] Calculated as total liabilities divided by total equity

Loans and Credit Facilities

The following is a summary of outstanding loan and credit facility balances as at YE 2018 and as at the end of the previous four quarters:

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Land development servicing loans	7,914	2,312	-	2,955	6,164
Demand operating line for single-family homes	1,509	2,129	-	-	-
Project specific townhouse construction loans	7,177	7,402	6,519	4,482	1,896
Vendor-take-back mortgage payable	15,387	15,092	14,797	14,503	22,208
	31,987	26,935	21,316	21,940	30,268
Unamortized deferred financing fees	(291)	(330)	(226)	(168)	(133)
Balance, end of period	31,696	26,605	21,090	21,772	30,135

The continuity of Genesis' VTB payable and land development servicing loans, excluding deferred financing fees, is as follows:

	Year ended December 31, 2018			
	Vendor-take-back mortgage payable	Land development servicing loans	**Total**	**Year ended December 31, 2017**
Balance, beginning of period	22,208	6,164	**28,372**	34,072
Advances	-	22,974	**22,974**	30,574
Repayments	(8,000)	(21,224)	**(29,224)**	(37,976)
Interest expense	1,179	-	**1,179**	1,702
Balance, end of period	15,387	7,914	**23,301**	28,372

Genesis has various covenants in place with its lenders with respect to its credit facilities. Such covenants include credit usage restrictions; cancellation, prepayment, confidentiality and cross default clauses; sales coverage requirements; conditions precedent for funding; and other general understandings 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.

In addition, GBG has a secured revolving operating line repayable on demand to be used for home construction. This line has a financial covenant requiring that GBG maintain a net worth of at least $6,500 at all times. Net worth is defined by the lender as "Retained Earnings plus Shareholders Loans plus Due to Related Parties (excluding lot payables to related parties) minus Due from Related Parties".

Genesis and its subsidiaries and consolidated entities were in compliance with all covenants at YE 2018 and at YE 2017. Loans and credit facilities are used primarily to finance the costs of developing land, building homes and for land purchases.

Genesis has sufficient liquidity from its cash flows from operating activities, supplemented by credit facilities, to meet the above liabilities as they become due. Project financing facilities are paid down with some or all of the sale proceeds of secured lands. Genesis intends to develop new phases primarily funded by financings that are specific to each new phase or phases of land under development and to also obtain construction financing for significant GBG townhouse projects.

Land development servicing loans

As at December 31, 2018, Genesis had four land project loan facilities with the ability to fund up to $53,270 of future development and servicing costs. Interest on these facilities is charged at prime +0.75% per annum. Draws on these facilities can be made as land development activities progress. As at YE 2018, $7,914 was drawn under these facilities (YE 2017 - four loans and $6,164).

Home building loans

GBG has a demand operating line of $6,500 bearing interest at prime +0.75% per annum. As at YE 2018, the amount drawn on this facility was $1,509 (YE 2017 - Nil).

GBG has a townhouse project loan facility with the ability to fund up to $9,970 of construction costs. This facility bears interest at prime +0.90% per annum and is due on August 31, 2020. As at YE 2018, $3,943 was drawn under this facility (YE 2017 - $1,896).

GBG has a second townhouse project loan facility with the ability to fund up to $4,715 of construction costs. This facility bears interest at prime +0.90% per annum and is due on March 28, 2020. As at YE 2018, $3,234 was drawn under this facility (YE 2017 - nil).

Demand operating line

Genesis has a demand operating line of credit of up to $10,000 for general corporate purposes at an interest rate of prime +1.00% per annum. As at YE 2018, the outstanding balance of this facility was Nil (YE 2017 - Nil). This facility was used in 2018 and in 2017 for short term cash flow purposes.

Vendor-take-back mortgage payable

Genesis granted the VTB on the purchase of the Calgary southeast lands in January 2015. As at YE 2018, the VTB had an outstanding balance of $16,000 with an unamortized discount of $613 (YE 2017 - $24,000 and $1,792 respectively). The outstanding balance is payable in two equal installments of $8,000 each in January 2019 and 2020. The January 2019 instalment was paid subsequent to December 31, 2018.

Provision for Future Development Costs

When Genesis sells lots, land parcels and homes, it often remains responsible for paying for future development costs known as "costs-to-complete".

In Genesis' land development business, the provision for future development costs 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 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. The provision 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 the provision for future development costs and a corresponding adjustment is made to land held for development and/or cost of sales.

The cost-to-complete estimates for GBG are additional future costs relating to previously sold homes estimated to be incurred, which are primarily for seasonal and other work (such as paving and landscaping) and estimated warranty expenses over the one year warranty period.

The provision for future development costs as at December 31, 2018 was $20,033 for the land division (YE 2017 - $23,809) and $868 (YE 2017 - $775) for GBG. For additional details, please see information provided under the heading *Critical Accounting Estimates* in this MD&A.

LIQUIDITY AND CAPITAL RESOURCES

Genesis increased its debt from $30,135 at YE 2017 to $31,696 at YE 2018, primarily due to a net increase of $8,382 in land servicing and home building project loans offset by the $8,000 installment paid in early January 2018 on the VTB relating to Genesis' southeast Calgary lands. For additional details, please see information provided under the heading *Loans and Credit Facilities.*

	December 31,		
	2018	**2017**	**% change**
VTB payable	**15,387**	22,208	(30.7%)
Land development servicing and home building loans	**16,309**	7,927	105.7%
Total loans and credit facilities	**31,696**	30,135	5.2%

	December 31,		
Loans and credit facilities as a percentage of total assets	**2018**	**2017**	**% change**
VTB payable	**5.5%**	7.4%	(24.9%)
Land development servicing and home building loans	**5.9%**	2.6%	123.0%
Loans and credit facilities (debt) to total assets(1)	**11.4%**	10.0%	
Total liabilities to equity(2)	**33%**	37%	14.0%

(1) Calculated as each component of loans and credit facilities divided by total assets
(2) Calculated as total liabilities divided by total equity

Finance Expense

	Three months ended December 31,			Year ended December 31,		
	2018	**2017**	**% change**	**2018**	**2017**	**% change**
Interest incurred	**177**	166	6.6%	**437**	770	(43.2%)
Finance expense relating to VTB[(1)]	**295**	426	(30.8%)	**1,179**	1,702	(30.7%)
Financing fees amortized	**39**	65	(40.0%)	**171**	361	(52.6%)
Interest and financing fees capitalized	**(65)**	(101)	(35.6%)	**(256)**	(383)	(33.2%)
	446	556	(19.8%)	**1,531**	2,450	(37.5%)

(1) VTB related to Calgary southeast lands

Interest incurred during 2018 was lower than in 2017 due to lower average loan balances in 2018. The Corporation paid the third installment of $8,000 on the VTB in January 2018. The imputed rate on the VTB, which has a 0% face rate, is 8%. In addition, the third-party loan owed by a limited partnership was fully repaid in Q4 2017, reducing interest expense in 2018.

The weighted average interest rate of loan agreements with various financial institutions was 4.76% (YE 2017 - 3.99%) based on December 31, 2018 balances.

Income Tax (Recoverable) Payable

The continuity in income tax (recoverable) payable is as follows:

	For the year ended December 31,	
	2018	**2017**
Balance, beginning of period	**2,785**	(42)
Provision for current income tax	**3,531**	6,882
Net payments	**(8,599)**	(4,055)
Balance, end of period	**(2,283)**	2,785

Net payments in a period are a combination of installments and final payments on the prior year's taxable income, both of which can vary significantly from period to period. Genesis is current with installments and the payment of final taxes.

Shareholders' Equity

As at March 14, 2019, the Corporation had 42,183,621 common shares issued and outstanding. The common shares of the Corporation are listed for trading on the Toronto Stock Exchange under the symbol "GDC".

In addition, as of the date of this MD&A, stock options to acquire 2,805,000 common shares of Genesis were issued and outstanding. Stock options were granted pursuant to the long-term incentive plan which was adopted by the Board on September 20, 2018. Under the terms of the long-term incentive plan, the Board sets the vesting provisions and exercise prices for the stock options at the time of their issuance. The stock options vest over a number of years on various anniversary dates from the date of original grant. The Corporation's long-term incentive plan is conditional upon and subject to the approval by the Toronto Stock Exchange and Genesis' shareholders. Genesis plans to present the long-term incentive plan to its shareholders for their approval at the Corporation's next annual general meeting which is currently expected to be in May 2019.

Genesis commenced a normal course issuer bid ("NCIB") in 2015 and has renewed it annually. Genesis' current NCIB commenced on October 10, 2018 and terminates on the earlier of (i) October 9, 2019; 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 2,147,636 common shares under this NCIB.

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

	Three months ended December 31,		Year ended December 31,	
	2018	**2017**	**2018**	**2017**
Number of shares purchased and cancelled	**769,100**	-	**1,069,100**	493,085
Total cost	**2,400**	-	**3,501**	1,456
Average price per share purchased	**3.12**	-	**3.27**	2.95
Shares cancelled as a % of common shares outstanding at beginning of period	**1.79%**	-	**2.47%**	1.13%

The Corporation did not repurchase any common shares between January 1, 2019 and March 14, 2019 for cancellation. As of the date of this MD&A, 1,378,536 common shares may be purchased for cancellation under the currently authorized NCIB.

During YE 2018, The Corporation purchased and cancelled 1,069,100 common shares for $3,501 at an average cost of $3.27 per share (representing 2.47% of issued and outstanding shares at the beginning of the year), compared to 493,085 common shares for $1,456 at an average cost of $2.95 in 2017 (representing 1.13% of issued and outstanding shares at the beginning of 2017). During Q4 2018, the Corporation purchased and cancelled 769,100 common shares for $2,400 at an average cost of $3.12 per share (representing 1.79% of issued and outstanding shares at the beginning of period), compared to no purchases made in Q4 2017.

Contractual Obligations and Debt Repayment

Contractual obligations (excluding accounts payable, accrued liabilities, income taxes payable, customer deposits and provision for future development costs) at YE 2018 were as follows:

	Loans and Credit Facilities[(1)]	Naming Rights	Lease Obligations	Total
Current	9,498	500	481	**10,479**
January 2020 to December 2020	17,485	500	422	**18,407**
January 2021 to December 2021	5,004	500	14	**5,518**
January 2022 and thereafter	-	-	10	**10**
Total	31,987	1,500	927	**34,414**

[(1)] *Excludes deferred financing fees*

In 2012, Genesis entered into a memorandum of understanding with the Northeast Community Society to contribute $5,000 over 10 years for 15-year naming rights to the "Genesis Centre for Community Wellness", a recreation complex in northeast Calgary ($500 each year, ending in 2021). The first seven installments totaling $3,500 were paid up to and through to the end of December 2018. Genesis paid the eighth installment of $500 in January 2019.

In Q1 2017, the Corporation amended its head office lease agreement with Morguard Real Estate Investment Trust to extend the term by 38 months to September 30, 2020. The total basic rent over the extension period is $364. 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 and commitments in note 16 of the consolidated financial statements for the years ended December 31, 2018 and 2017.

Current Contractual Obligations, Commitments and Provision

	December 31	
	2018	**2017**
Loans and credit facilities, excluding deferred financing fees	**9,498**	12,007
Accounts payable and accrued liabilities	**12,679**	8,938
Dividend payable	**-**	10,813
Total short-term liabilities	**22,177**	31,758
Commitments[1]	**981**	1,074
	23,158	32,832

[1] *Commitments comprises naming rights and lease obligations*

At YE 2018, Genesis had obligations due within the next 12 months of $23,158, of which $9,498 related to loans and credit facilities. Repayment is either linked directly to the collection of lot receivables and sales proceeds or due at maturity. Management is confident that Genesis has the ability to continue to renew or to repay its financial obligations as they become due.

Provision for Litigation

Two former employees filed a statement of claim against the Corporation and a director on May 27, 2016 alleging wrongful termination of their employment and seeking damages, legal costs and other relief arising out of the termination of their employment contracts with the Corporation. The aggregate amount of the claim was approximately $1,600 and the Corporation recorded this amount as a provision as at December 31, 2017. In 2017, the former employees brought a motion before a Master in Chambers of the Court of Queen's Bench of Alberta for summary judgment asking for awards of liquidated damages, being the amount of their severance entitlements set out in their employment contracts. On April 24, 2017, the Master granted the former employees' application for summary judgment. The Corporation filed a Notice of Appeal on April 28, 2017, which was heard in August 2018 and judgement was reserved. On February 25, 2019, the Court granted the Corporation's appeal, directing that the claims of the former employees go to trial.

As of March 14, 2019, the two former employees are in the process of amending their claim to add claims in the amount of $1,100 plus costs and interest in connection with a disputed purported exercise of stock options. The Corporation has not made any provision for this claim as at December 31, 2018.

The Corporation's view is that these claims are without merit and is actively contesting them.

OFF BALANCE SHEET ARRANGEMENTS

Letters of Credit

Genesis has an ongoing requirement to provide irrevocable letters of credit to municipalities as part of the sub-division plan registration process. These letters of credit indemnify the municipalities by enabling them to draw upon the letters of credit in the event that Genesis does not perform its contractual obligations. At YE 2018, these letters of credit totalled approximately $6,358 (YE 2017 - $5,491).

Lease Agreements

Genesis has certain lease agreements that are entered into in the normal course of operations. All leases are treated as operating leases and lease payments are included in general and administrative expenses. No asset value or liability has been assigned to these leases on the balance sheet as at YE 2018 and YE 2017. In the event the lease for the office building 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. For additional details, please see information provided under the heading *Contractual Obligations and Debt Repayment*.

SELECTED ANNUAL INFORMATION

	2018	2017	2016	2015	2014
Total revenues	**81,437**	150,933	115,957	119,088	134,245
Gross margin	**20,413**	53,229	26,618	22,509	39,001
Net earnings attributable to equity shareholders	**4,124**	16,998	5,906	11,014	17,395
Net earnings per share - basic and diluted	**0.10**	0.39	0.13	0.25	0.39
Total assets	**278,156**	301,425	288,995	331,045	309,742
Loans and credit facilities	**31,696**	30,135	43,295	63,819	23,892
Cash dividends per share, declared(1)	**0.24**	0.46	0.25	0.12	$0.12

(1) A cash dividend of $0.25 per share declared in December 2017 was paid in January 2018

	2018	2017	2016	2015	2014
Return on shareholders' equity ("ROE")(1)	**2.1%**	8.3%	2.8%	5.2%	8.6%
Average shareholders' equity(2)	**196,684**	203,574	208,938	210,113	201,792

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

Please refer to information provided under the heading *Factors Affecting Results of Operations* which discusses the factors that affect Genesis' results and seasonality further.

Summary analysis for last 3 years

Total revenues comprise residential lot sales, development land sales, residential home sales and other revenues. Residential lot sales volumes were 176, 266 and 204 units in 2018, 2017 and 2016 respectively, reflecting the market conditions. In addition, development land sales were $15,126, $55,234 and $21,237 for 2018, 2017 and 2016 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 121, 148 and 166 in 2018, 2017 and 2016 respectively. 2018 and 2017 included sales of townhouse units (2018 - 18, 2017 - 21) while there were no townhouse sales in 2016.

Gross margins in 2017 significantly improved due to stronger development land margins while gross margins in 2018 and 2016 were impacted by a write-down of real estate held for development and sale which were $1,820, $1,095, $8,665 in 2018, 2017 and 2016 respectively. Net earnings and net earnings per share - basic and diluted were affected as a result of the above.

Total assets decreased by $23,269 in 2018 compared to 2017. This was mainly due to a decrease in accounts receivable by $15,860 and a reduction of $13,667 in Other operating assets during 2018. In 2017, Other operating assets included $10,813 of dividends that was declared in 2017 and paid in 2018. Total assets increased by $12,430 in 2017 compared to 2016. This was mainly due to an increase in cash and cash equivalents by $9,267 and the $20,558 vendor-take-back mortgage relating to a limited partnership, partially offset by a reduction in real estate held for development and sale during 2017, as a result of sales of residential lots, development lands and residential homes.

Total loans and credit facilities are marginally higher in 2018 compared to 2017 mainly due to higher land servicing and home building project loan draws used to develop new phases and significant townhouse projects. This was offset by the $8,000 installment paid in early January 2018 on the VTB relating to Genesis' southeast Calgary lands. Total loans and credit facilities decreased in 2017 compared to 2016 mainly due to the repayment of loans and credit facilities, including $8,000 annual payments on the VTB in January 2017.

ROE is calculated as net earnings attributable to equity shareholders' divided by average shareholders' equity. Factors that affect net earnings have been explained above. In addition, retained earnings, a component of shareholders' equity, was affected by dividends of $10,309, $19,896 and $10,936 in 2018, 2017 and 2016 respectively. In addition, Genesis' NCIB reduced shareholders' equity by $3,501, $1,456 and $1,420 in 2018, 2017 and 2016 respectively.

SUMMARY OF QUARTERLY RESULTS

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Revenues	**20,935**	27,178	18,955	14,369	65,644	31,128	38,497	15,664
Net earnings(1)	**2,358**	539	540	687	8,713	3,372	4,209	704
EPS(2)	**0.06**	0.01	0.01	0.02	0.20	0.08	0.09	0.02

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

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Dividends declared	**-**	10,309	-	-	10,813	9,083	-	-
Dividends paid	**-**	10,309	-	10,813	-	9,083	-	-
Dividends declared - per share	**-**	0.24	-	-	0.25	0.21	-	-
Dividends paid - per share	**-**	0.24	-	0.25	-	0.21	-	-

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Residential lots sold to third-parties (units)	**1**	10	40	4	37	13	45	37
Homes sold (units)	**32**	32	24	33	44	49	36	19

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Development land revenues	**4,628**	10,498	-	-	41,000	5,234	9,000	-

Cash flows from (used in) operating activities	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Amount	**7,192**	7,694	(1,336)	1,197	27,298	8,888	12,251	(1,529)
Per share - basic and diluted	**0.16**	0.18	(0.03)	0.03	0.62	0.21	0.28	(0.03)

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 recoveries, 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* which discusses the factors that affect Genesis' results and seasonality further.

During Q4 2018, Genesis sold one residential lot to third-parties, 32 homes and one development land parcel resulting in lower revenues in Q4 2018 compared to Q3 2018. Gross margins in Q4 2018 were higher than in Q3 2018 mainly due to higher gross margin being made on the development land parcel sale during the quarter. Higher general and administrative expenses and income tax expenses in Q4 2018 were partially offset by lower selling and marketing expenses compared to Q3 2018. Genesis had higher net finance expense in Q4 2018 compared to Q3 2018 mainly due to higher loan balances. On an overall basis, net earnings in Q4 2018 was higher compared to Q3 2018 mainly due to the development land parcel sale.

During Q3 2018, Genesis sold 10 residential lots to third-parties, 32 homes and two development land parcels resulting in higher revenues in Q3 2018 compared to Q2 2018. Gross margins in Q3 2018 were only marginally higher than in Q2 2018 mainly due to no gross margin being made on the development land parcel sales during the quarter. Higher selling and marketing expenses in Q3 2018 were partially offset by lower general and administrative expenses and lower income tax expense compared to Q2 2018. Genesis had higher net finance expense in Q3 2018 compared to Q2 2018 mainly due to higher loan balances. On an overall basis, this resulted in net earnings in Q3 2018 being comparable to Q2 2018.

During Q2 2018, Genesis sold 40 residential lots to third-parties, 24 homes and no development land parcels resulting in higher revenues in Q2 2018 compared to Q1 2018. Gross margins in Q2 2018 were higher than in Q1 2018 despite a write-down of $920 in Q2 2018. Higher selling and marketing expenses in Q2 2018 were partially offset by lower general and administrative expenses compared to Q1 2018. Genesis had lower net finance income and higher income tax expense in Q2 2018 compared to Q1 2018. On an overall basis, this resulted in lower net earnings in Q2 2018 compared to Q1 2018.

During Q1 2018, Genesis sold four residential lots to third-parties, 33 homes and no development land parcels. This resulted in lower revenues in Q1 2018 compared to Q4 2017. Higher general and administrative expenses in Q1 2018 were more than offset by lower selling and marketing expenses, net finance expenses and income taxes compared to Q4 2017. On an overall basis, this resulted in lower net earnings in Q1 2018 compared to Q4 2017.

During Q4 2017, Genesis sold 37 residential lots to third-parties and 44 homes. Genesis completed the sale of 319 acres of undeveloped land belonging to a limited partnership for $41,000. On an overall basis, this resulted in higher revenues during Q4 2017 compared to Q3 2017. Genesis incurred lower general and administrative expenses and net finance expense during Q4 2017 offset by higher selling and marketing expenses compared to Q3 2017.

During Q3 2017, Genesis sold 13 residential lots to third-parties and 49 homes. Genesis completed the sale of a 617 acre parcel of land belonging to a limited partnership for $5,234. On an overall basis, lower revenues from residential lot sales and development land sales, partially offset by higher revenues from residential home sales resulted in lower revenues during Q3 2017 compared to Q2 2017. Genesis incurred slightly lower general and administrative, selling and marketing expenses during Q3 2017 compared to Q2 2017. In addition, Genesis had no write-down in Q3 2017.

During Q2 2017, Genesis sold 45 residential lots to third-parties and 36 homes. Genesis also sold a 1,476 non-core development land parcel in Q2 2017 for $9,000. On an overall basis, this resulted in higher revenues during Q2 2017 compared to Q1 2017. Genesis incurred lower general and administrative, selling and marketing expenses and net finance expenses during Q2 2017 compared to Q1 2017. In addition, Genesis had a write-down of $1,095 in Q2 2017.

During Q1 2017, Genesis sold 37 residential lots to third-parties and 19 homes. The 37 unit decrease in home closings between Q1 2017 and Q4 2016 was partially offset by a 25 unit increase in residential lot sales to third-parties. On an overall basis, this resulted in lower revenues during Q1 2017 compared to Q4 2016. Genesis incurred lower general and administrative, selling and marketing expenses and net finance expenses during Q1 2017 compared to Q4 2016. In addition, Genesis had no write-down in Q1 2017. These were the main factors resulting in higher net earnings and EPS during Q1 2017 compared to Q4 2016.

RELATED PARTY TRANSACTIONS

Transactions occurred with the following related party:

Underwood Capital Partners Inc. ("Underwood") - controlled by an officer and director, Stephen J. Griggs;

	Three months ended December 31,		Year ended December 31,	
	2018	**2017**	**2018**	**2017**
Paid to Underwood for the services of Stephen J. Griggs as CEO	**-**	86	**251**	334

Underwood no longer provides CEO services to Genesis following the appointment of Iain Stewart as President and Chief Executive Officer ("CEO") in September 2018. From February 2016 to September 2018, the executive services of Stephen J. Griggs as interim and permanent CEO were provided to the Corporation through Underwood, a private corporation controlled by him, in accordance with an agreement dated as of February 16, 2016 and revised effective May 11, 2017. Under this agreement, Underwood was paid a monthly retainer fee until June 15, 2016, at which time the fee was changed to a fee based on days spent, plus travel and related expenses. No incentive or severance fees (share or cash based) were payable to Underwood under this agreement.

SUBSEQUENT EVENTS

Subsequent to YE 2018, the following occurred:

- Genesis paid the fourth installment of $8,000 on the VTB in January 2019. The balance on the VTB after this payment, excluding the unamortized portion, is $8,000.

- The Corporation granted 780,000 stock options and 70,941 DSUs. Refer to note 12a and 12b in the consolidated financial statements for the years ended December 31, 2018 and 2017 for additional information.
- The Court granted the Corporation's appeal directing that the claims of the former employees go to trial. As of March 14, 2019, the two former employees are in the process of amending their claim to add claims in the amount of $1,100 plus costs and interest in connection with a disputed purported exercise of stock options. For additional details, please see information provided under the heading *Provision for Litigation*.

SUMMARY OF ACCOUNTING CHANGES

The Corporation adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments effective January 1, 2018.

IFRS 15 requires that the Corporation recognize a development land sale when the land parcel has been delivered to the customer and related services that have been contractually agreed to between the Corporation and the customer have been substantially performed, without reference to receipt of a minimum 15% non-refundable deposit, which was an additional criterion under the prior standard. There were no development land transactions made during the year ended December 31, 2017 that would be impacted by the transition to IFRS 15.

IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 includes revised guidance on the classification and measurement of financial assets, including impairment and a new general hedge accounting model. The Corporation completed an assessment of the impact of IFRS 9 on its financial statements and determined that there was no material effect on the carrying value of its financial instruments related to this new requirement and no reclassification was required in the transition to IFRS 9.

For additional information, refer to note 3 of the consolidated financial statements for the year ended December 31, 2018 and 2017.

NEW ACCOUNTING PRONOUNCEMENTS

IFRS 16, "Leases"

On January 13, 2016, the IASB published a new standard, IFRS 16, "Leases". The new standard brings most leases for lessees onto the balance sheet under a single model, eliminating the distinction between operating and finance leases. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted but only if the entity is also applying IFRS 15, "Revenue from contracts with customers". Under the new standard, a lessee recognizes a right-of-use ("ROU") asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly. The liability accrues interest.

The Corporation does not intend to early adopt IFRS 16. The Corporation has completed the assessment of the impact of IFRS 16 on its financial statements and there is no material impact. Refer to note 4 in the consolidated financial statements for the years ended December 31, 2018 and 2017 for further details.

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, 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 2018 and YE 2017. Refer to note 2o in the consolidated financial statements for the years ended December 31, 2018 and 2017 for additional information on judgments and estimates.

Provision for Future Development Costs

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

Impairment 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 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, other professional reports and estimates and take 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.

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, 2018. 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, 2018 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 businesses. As a result, the profitability 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 risk, mortgage rates and financing risk, general uninsured losses, cyber-security and business continuity risk, environmental risk and government regulations.

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.

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 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 and manages 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 particular 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 has the following in place to reduce and/or manage cybersecurity and business continuity risk: 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 unauthorised 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. 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, 2018 available on SEDAR at www.sedar.com.

TRADING AND SHARE STATISTICS

The Corporation's trading and share statistics for 2018 and 2017 are provided below.

	2018	2017
Average daily trading volume	**7,592**	7,639
Share price ($/share)		
High	**4.01**	3.95
Low	**3.10**	2.78
Close	**3.16**	3.73
Market capitalization at December 31,	**133,300**	161,333
Shares outstanding	**42,183,621**	43,252,721

OTHER

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

ADVISORIES

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", "scheduled", "estimates", "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".

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.

Forward-looking statements in this MD&A include, but are not limited to, the availability of excess cash on hand and its proposed use, the future payment of dividends and/or common share buybacks, the timing and approval of the Sage Hill Crossing Outline Plan and Land Use applications, the timing and approval of the Southeast Lands ASP, the timing and approval of the Conceptual Scheme for the OMNI ASP, the expected completion dates of various projects that GBG is currently engaged in 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 these phases and expected increased leverage, anticipated general economic and business conditions, the Alberta real estate cycle, expectations for lot and home prices, construction starts and completions, anticipated expenditures on land development activities, GBG's sales process and construction margins, timing of the annual general meeting of the shareholders, the approval by the shareholders of Genesis' long-term incentive plan and its adoption by Genesis thereof, the ability to continue to renew or repay financial obligations and to meet liabilities as they become due and the aggregate number of common shares that may be repurchased by Genesis' under the renewed NCIB.

Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to: the impact of contractual arrangements and incurred obligations on future operations and liquidity; local real estate conditions, including the development of properties in close proximity to Genesis' properties; the uncertainties of real estate development and acquisition activity; fluctuations in interest rates; ability to access and raise capital on favourable terms; not realizing on the anticipated benefits from transactions or not realizing on such anticipated benefits within the expected time frame; labour matters, governmental regulations, stock market volatility and other risks and factors described from time to time in the documents filed by Genesis with the securities regulators in Canada available at www.sedar.com, including in this MD&A under the heading "Risks and Uncertainties" and the AIF under the heading "Risk Factors".

Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A 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.