



GENESIS LAND DEVELOPMENT CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2022 and 2021
(Unaudited)

FIRST QUARTER

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

	Notes	March 31, 2022	December 31, 2021
Assets			
Real estate held for development and sale	3	220,647	218,855
Amounts receivable	11a	11,054	13,632
Investments in land development entities	13	6,170	6,170
Other operating assets	8d, 9	42,360	14,738
Right-of-use assets		595	655
Deferred tax assets		7,112	6,904
Income tax recoverable		365	-
Cash and cash equivalents		22,996	63,975
Total assets		311,299	324,929
Liabilities			
Loans and credit facilities	4	15,433	32,668
Customer deposits	10	17,083	9,002
Accounts payable and accrued liabilities	3, 11a	24,233	26,408
Lease liabilities		801	842
Income tax payable		-	2,092
Provision for future development costs	5	17,678	17,979
Total liabilities		75,228	88,991
Commitments and contingencies	8		
Subsequent events	15		
Equity			
Share capital	6	82,383	82,383
Contributed surplus	7c	1,051	1,045
Retained earnings		144,700	145,196
Shareholders' equity		228,134	228,624
Non-controlling interest		7,937	7,314
Total equity		236,071	235,938
Total liabilities and equity		311,299	324,929

See accompanying notes to the condensed consolidated interim financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited)
For the three months ended March 31, 2022 and 2021
(In thousands of Canadian dollars except per share amounts)

		Three months ended March 31,	
	Notes	2022	2021
Revenues			
Sales revenue		20,372	18,706
Other revenue		7	7
	12	20,379	18,713
Direct cost of sales		(15,816)	(13,262)
Gross margin		4,563	5,451
General and administrative		(3,732)	(2,237)
Selling and marketing		(1,139)	(1,011)
		(4,871)	(3,248)
(Loss) earnings from operations		(308)	2,203
Finance income		52	69
Finance expense		(292)	(353)
(Loss) earnings before income taxes		(548)	1,919
Income tax expense		(28)	(393)
Net (loss) earnings being comprehensive (loss) earnings		(576)	1,526
Attributable to non-controlling interest		(80)	204
Attributable to equity shareholders		(496)	1,322
Net (loss) earnings per share - basic and diluted	6b	(0.01)	0.03

See accompanying notes to the condensed consolidated interim financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
For the three months ended March 31, 2022 and 2021
(In thousands of Canadian dollars except number of shares)

		Equity attributable to Corporation's shareholders						
		Common shares - Issued						
	Notes	Number of Shares	Amount	Contributed Surplus	Retained Earnings	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
At December 31, 2020		41,863,335	52,489	868	134,319	187,676	12,084	199,760
Share-based payments	7c	-	-	144	-	144	-	144
Distributions		-	-	-	-	-	(913)	(913)
Net earnings being comprehensive earnings and other		-	-	-	1,322	1,322	104	1,426
At March 31, 2021		41,863,335	52,489	1,012	135,641	189,142	11,275	200,417

At December 31, 2021		56,863,335	82,383	1,045	145,196	228,624	7,314	235,938
Share-based payments	7c	-	-	6	-	6	-	6
Distributions and other	14	-	-	-	-	-	703	703
Net loss being comprehensive loss		-	-	-	(496)	(496)	(80)	(576)
At March 31, 2022		56,863,335	82,383	1,051	144,700	228,134	7,937	236,071

See accompanying notes to the condensed consolidated interim financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
For the three months ended March 31, 2022 and 2021
(In thousands of Canadian dollars)

		Three months ended March 31,	
	Notes	2022	2021
Operating activities			
Receipts from residential lot sales		3,771	5,158
Receipts from development land sales		2,200	925
Receipts from residential home sales		22,706	15,297
Other cash receipts		247	375
Paid for land development		(5,911)	(4,557)
Paid for lots / land acquisition		(1,994)	(727)
Paid for land acquisition in trust	8d, 9	(26,964)	-
Paid for residential home construction		(12,771)	(11,120)
Paid to suppliers and employees		(5,085)	(4,892)
Interest received		52	69
Income tax payments		(2,693)	(145)
Cash flows (used in) from operating activities		(26,442)	383
Investing activities			
Acquisition of equipment		(33)	(246)
Change in restricted cash	9	3,124	68
Cash flows from (used in) investing activities		3,091	(178)
Financing activities			
Advances from loans and credit facilities	4	301	7,935
Repayments of loans and credit facilities		(8,005)	(4,860)
Repayment of vendor-take-back mortgage payable	4e	(9,312)	-
Interest and fees paid on loans and credit facilities		(612)	(1,042)
Distributions to unit holders of limited partnerships		-	(803)
Dividends paid	6c	-	(6,280)
Cash flows used in financing activities		(17,628)	(5,050)
Change in cash and cash equivalents		(40,979)	(4,845)
Cash and cash equivalents, beginning of period		63,975	29,743
Cash and cash equivalents, end of period		22,996	24,898

See accompanying notes to the condensed consolidated interim financial statements.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2022 and 2021

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

1. DESCRIPTION OF BUSINESS

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

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

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

In March 2020, a global pandemic was declared, and a number health and safety recommendations were enacted by regulatory authorities. The Corporation adapted its operations to address the impact from all related regulations and to ensure all requirements are being followed. In March 2022 all COVID health recommendations applied by the Province of Alberta were removed. However, as a result of the restrictions placed by regulatory authorities there remain numerous supply chain issues that impact the procurement and availability of multiple components required to build homes and develop land. To this point, the Corporation has been able to manage these issues. The Corporation remains cautious as there is continued uncertainty as to the extent and duration of the economic implications of the regulatory restrictions which could have an adverse impact on the Corporation's financial position, negatively impact the value of its long term assets, future revenue and profitability.

The condensed consolidated interim financial statements of Genesis were approved for issuance by the Board of Directors on May 5, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The significant accounting policies, basis of measurement and use of judgements and estimates of the Corporation are the same as those applied in the Corporation's annual audited consolidated financial statements for the year ended December 31, 2021. These policies have been consistently applied to each of the periods presented, unless otherwise indicated.

The unaudited condensed consolidated interim financial statements ("Statements") of the Corporation are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These Statements are unaudited and have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The 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 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.

These Statements do not include all of the information required for annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2021.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2022 and 2021

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

3. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

	Lots, Multi-family & Commercial Parcels	Land Held for Development	Home Building	Total	Limited Partnerships	Intra-segment Elimination	Consolidated Total
Gross book value							
As at December 31, 2021	41,892	151,852	28,870	222,614	9,564	(4,194)	227,984
Development activities	713	2,564	8,862	12,139	81	-	12,220
Acquisition	-	-	2,705	2,705	-	-	2,705
Sold	(5,600)	-	(7,966)	(13,566)	-	-	(13,566)
As at March 31, 2022	37,005	154,416	32,471	223,892	9,645	(4,194)	229,343
Provision for write-downs							
As at December 31, 2021	4,402	4,727	-	9,129	-	-	9,129
Sold	(433)	-	-	(433)	-	-	(433)
As at March 31, 2022	3,969	4,727	-	8,696	-	-	8,696
Net book value							
As at December 31, 2021	37,490	147,125	28,870	213,485	9,564	(4,194)	218,855
As at March 31, 2022	33,036	149,689	32,471	215,196	9,645	(4,194)	220,647

During the three months ended March 31, 2022, the Corporation closed the sale of a 3.32-acre parcel of land in the City of Airdrie for \$2,200.

During the three months ended March 31, 2022, the Corporation entered into a binding agreement to acquire 18 residential lots in the Calgary Metropolitan Area for \$2,705. The Corporation paid non-refundable deposits of \$546, with the balance of \$2,159, due on closing which is scheduled between July 2022 and December 2022. As at March 31, 2022, the amount included in accounts payable and accrued liabilities related to residential lot purchases is \$11,405 (December 31, 2021 - \$9,600).

During the three months ended March 31, 2022, interest of \$111 (2021 - \$Nil) was capitalized as a component of development activities.

GENESIS LAND DEVELOPMENT CORP.
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4. LOANS AND CREDIT FACILITIES

	March 31, 2022	December 31, 2021
Secured by agreements receivable and real estate held for development and sale		
a) Demand land project servicing loan 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 \$10,881. The loan matures on May 12, 2024.	3,997	5,794
Secured by specific dedicated lands and a general corporate charge on all assets of the Corporation		
b) Corporate revolving line of credit up to \$50,000 with a major Canadian financial institution at an interest rate per annum equal to the higher of prime +1.90% or 4.35%. The loan was renewed in February 2022 and matures on February 1, 2025.	12,219	16,237
Secured by housing projects under development		
c) Demand operating line of credit up to \$10,000 from a major Canadian chartered bank, bearing interest at prime +0.75% per annum, secured by a general security agreement over assets of the home building division. The loan was amended in January 2022 to increase the facility from \$6,500 to \$10,000.	27	1,917
d) Demand project specific townhouse construction loan from a major Canadian chartered bank, payable on collection of sale and closing proceeds, bearing interest at prime +0.90% per annum, secured by the project with a carrying value of \$2,090. The loan matures on August 28, 2022.	-	-
Secured by real estate held for development and sale		
e) The vendor-take-back mortgage bearing interest at 5% per annum was entered into on September 13, 2019 in partial payment for the purchase of approximately 130 acres of future residential development land in north Calgary. The final installment of \$9,312 was paid in January 2022.	-	9,312
	16,243	33,260
Deferred fees on loans and credit facilities	(810)	(592)
	15,433	32,668

The weighted average interest rate of loan agreements with financial institutions was 4.25% (December 31, 2021 - 3.92%) based on March 31, 2022 balances.

During the three months ended March 31, 2022, the Corporation received advances of \$301 (2021 - \$7,935) relating to various loan facilities. These are secured by real estate held for development and sale, housing projects under development, specific dedicated lands and a general corporate charge on all assets of the Corporation. These loan facilities bear interest ranging from prime +0.50% to the higher of prime +1.90% or 4.35% per annum, with maturity dates ranging from August 28, 2022 to February 1, 2025. During the three months ended March 31, 2022, the Corporation incurred interest costs of \$312 directly related to these loans (2021 - \$292).

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4. LOANS AND CREDIT FACILITIES (continued)

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

April 1, 2022 to March 31, 2023	27
April 1, 2023 to March 31, 2024	-
April 1, 2024 to March 31, 2025	16,216
	16,243

As at March 31, 2022 and at December 31, 2021, the Corporation and its subsidiaries were in compliance with all loan covenants.

5. 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	672	2,389	3,061
Changes to estimates	(52)	(15)	(67)
Development activities	(475)	(2,820)	(3,295)
As at March 31, 2022	15,241	2,437	17,678

6. 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 three months ended March 31, 2022 and 2021:

	Three months ended March 31,	
	2022	2021
Basic	56,863,335	44,155,470
Effect of dilutive securities - stock options	-	-
Diluted	56,863,335	44,155,470

All 855,000 options outstanding at the three months ended March 31, 2022 (2021 - 855,000) were excluded in calculating diluted earnings per share as their weighted average exercise price was higher than the average market price of the Corporation's shares during the period.

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

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(Unaudited)

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6. SHARE CAPITAL (continued)

c) **Dividends paid**

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

7. SHARE-BASED COMPENSATION

a) **Stock option plan**

Share-based payments may be settled in cash or equity at the sole discretion of the Corporation and are accounted for as equity-settled plans. Stock options have a 7-year term and vest 25% on each of the first, second, third and fourth anniversary dates of the grant.

Details of stock options are as follows:

	Three months ended March 31,			
	2022		2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of period	855,000	\$3.31	2,535,000	\$3.31
Options cancelled pursuant to revised long-term incentive plan	-	-	(1,680,000)	\$3.31
Outstanding - end of period	855,000	\$3.31	855,000	\$3.31
Exercisable - end of period	641,250	\$3.31	427,500	\$3.31

Range of Exercise Prices	Outstanding		Exercisable		Weighted Average Remaining Contractual Life in Years
	Number at March 31, 2022	Weighted Average Exercise Price	Number at March 31, 2022	Weighted Average Exercise Price	
\$3.12 - \$3.48	855,000	\$3.31	641,250	\$3.31	3.60

No stock options were issued during the three months ended March 31, 2022 (2021 - Nil).

b) **Deferred share unit plan ("DSU")**

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

	Three months ended March 31,	
	2022	2021
Outstanding - beginning of period	573,743	354,258
DSUs granted	194,590	334,033
DSUs cancelled	-	(114,548)
Outstanding - end of period	768,333	573,743
Vested - end of period	338,113	100,917

The outstanding liability related to cash settled DSUs as at March 31, 2022 was \$1,451 (December 31, 2021 - \$947) and is recorded in accounts payable and accrued liabilities. DSUs are measured at fair value at each reporting period on a mark-to-market basis.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

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7. SHARE-BASED COMPENSATION (continued)

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:

	Three months ended March 31,	
	2022	2021
Stock options	6	144
Deferred share units related to grants which are to be cash settled	504	(27)
Total share-based compensation expense	510	117

8. 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 March 31, 2022, these amounted to \$6,865 (December 31, 2021 - \$7,747).

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

April 1, 2022 to March 31, 2023	4,942
April 1, 2023 to March 31, 2024	5,255
April 1, 2024 to March 31, 2025	1,697
	11,894

c) The Corporation has contracted to acquire 145 residential lots in the Calgary Metropolitan Area for \$21,965 from third-party land developers. The Corporation has paid deposits totaling \$3,660 with the remainder being payable as follows:

April 1, 2022 to March 31, 2023	4,561
April 1, 2023 to March 31, 2024	13,302
April 1, 2024 to March 31, 2025	442
	18,305

d) The Corporation had entered into a binding agreement in 2021 to acquire approximately 157 acres of future residential development land in the City of Calgary for \$29,150 and had paid a non-refundable deposit of \$2,186. The closing of this transaction was scheduled for early April 2022 and the balance amount of \$26,964 was remitted in March 2022 and held in trust. This is included in Restricted Cash which is a component of Other Operating Assets. The Corporation closed the transaction on April 4, 2022 and the funds held in trust were released to the seller.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2022 and 2021

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9. OTHER OPERATING ASSETS

	March 31, 2022	December 31, 2021
Restricted cash	32,625	5,992
Deposits	7,883	6,676
Prepayments	457	589
Property, equipment and other	1,395	1,481
	42,360	14,738

Restricted cash includes \$26,964 held in trust related to the acquisition of 157 acres of future residential development land. Deposits include amounts paid towards purchase of lots and land as well as amounts paid to development authorities as security to guarantee the completion of construction projects under development. The Corporation has also provided letters of credit and surety bonds as security to guarantee the completion of certain construction projects (see note 8a for additional information).

10. CUSTOMER DEPOSITS

	March 31, 2022	December 31, 2021
Customer deposits on residential lot and development land sales	6,245	3,414
Customer deposits on residential home sales	10,838	5,588
	17,083	9,002

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

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2022 and 2021

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11. 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 loans 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 March 31, 2022 and December 31, 2021 are presented in the following table:

	Fair Value Hierarchy	Measurement Basis	Carrying Value		Fair Value	
			As at Mar. 31, 2022	As at Dec. 31, 2021	As at Mar. 31, 2022	As at Dec. 31, 2021
Financial Assets						
Cash	Level 1	FVTPL	22,996	63,975	22,996	63,975
Investments in land development entities	Level 3	FVTPL	6,170	6,170	6,170	6,170
Restricted cash ⁽¹⁾	Level 1	FVTPL	32,625	5,992	32,625	5,992

⁽¹⁾ Includes \$26,964 related to the acquisition of 157 acres of future residential development land. Refer to note 8d and note 9 for further information.

During the three months ended March 31, 2022 and 2021, no transfers were made between the levels in the fair value hierarchy.

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11. 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 March 31, 2022, which comprise greater than 10% of total amounts receivable, totaled \$10,116 from three customers (December 31, 2021 - \$12,135 from three customers).

Aging of amounts receivable was as follows:

	March 31, 2022	December 31, 2021
Not past due on sold lots	10,116	12,135
Other receivables	938	1,497
	11,054	13,632

(ii) Liquidity risk

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

	<1 Year	>1 Year	Total
Financial liabilities			
Accounts payable and accrued liabilities	23,996	237	24,233
Loans and credit facilities excl. deferred fees on loans and credit facilities (note 4)	27	16,216	16,243
	24,023	16,453	40,476
Commitments			
Lease obligations (including variable operating costs)	426	1,665	2,091
Land and lot purchase contracts (note 8c and note 8d)	32,056	13,744	45,800
Levies and municipal fees (note 8b)	4,942	6,952	11,894
	37,424	22,361	59,785
	61,447	38,814	100,261

As at March 31, 2022, the Corporation had obligations due within the next 12 months of \$61,447 (December 31, 2021 - \$74,758). Based on the Corporation's operating history, its relationship with its lenders and committed sales contracts, management believes that the Corporation has the ability to continue to renew or repay its financial obligations as they come due. During the three months ended March 31, 2022, the Corporation's operating line of credit facility was increased from \$6,500 to \$10,000 (note 4c) and the corporate revolving line of credit was renewed until February 2025 (note 4b).

(iii) Market risk

The Corporation is exposed to interest rate risk to the extent that certain agreements receivable and certain loans 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 \$162 annually on floating rate loans (2021 - \$59).

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11. FINANCIAL INSTRUMENTS (continued)

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:

	March 31, 2022	December 31, 2021
Loans and credit facilities (note 4)	15,433	32,668
Shareholders' equity	228,134	228,624
	243,567	261,292

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

12. SEGMENTED INFORMATION

The income producing business units of the Corporation reported the following activities for the three months ended March 31, 2022 and 2021:

Three months ended March 31, 2022	Land Development Segment			Total	Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination				
Revenues	5,706	2	-	5,708	17,266	(4,795)	18,179
Revenues - development lands	2,200	-	-	2,200	-	-	2,200
Direct cost of sales	(5,836)	-	-	(5,836)	(14,775)	4,795	(15,816)
Gross margin	2,070	2	-	2,072	2,491	-	4,563
G&A, selling & marketing and net finance expense or income	(2,183)	(82)	-	(2,265)	(2,846)	-	(5,111)
Loss before income taxes and non-controlling interest	(113)	(80)	-	(193)	(355)	-	(548)
Segmented assets as at March 31, 2022	261,466	11,429	(6,730)	266,165	42,095	3,039	311,299
Segmented liabilities as at March 31, 2022 ^{(1), (2)}	47,563	3,492	(2,536)	48,519	23,670	3,039	75,228
Segmented net assets as at March 31, 2022 ^{(1), (2)}	213,903	7,937	(4,194)	217,646	18,425	-	236,071

Three months ended March 31, 2021	Land Development Segment			Total	Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination				
Revenues	8,578	187	(184)	8,581	13,870	(4,663)	17,788
Revenues - development lands	-	925	-	925	-	-	925
Direct cost of sales	(5,088)	(845)	-	(5,933)	(11,992)	4,663	(13,262)
Gross margin	3,490	267	(184)	3,573	1,878	-	5,451
G&A, selling & marketing and net finance expense or income	(1,648)	(63)	184	(1,527)	(2,005)	-	(3,532)
Earnings (loss) before income taxes and non-controlling interest	1,842	204	-	2,046	(127)	-	1,919
Segmented assets as at December 31, 2021	276,751	13,895	(6,482)	284,164	39,527	1,238	324,929
Segmented liabilities as at December 31, 2021 ^{(1), (2)}	62,653	6,609	(2,288)	66,974	20,779	1,238	88,991
Segmented net assets as at December 31, 2021 ^{(1), (2)}	214,098	7,286	(4,194)	217,190	18,748	-	235,938

⁽¹⁾ Segmented liabilities under the Genesis land development segment include \$5,072 due to the home building segment (December 31, 2021 - \$3,113 due from the land development segment to the home building segment).

⁽²⁾ Segmented liabilities under the LP segment is comprised of accounts payable and accrued liabilities and includes \$2,536 (December 31, 2021 - \$2,288) due to Genesis.

**GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited)

For the three months ended March 31, 2022 and 2021

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

13. 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
Change in Fair Value	-	-	-
As at March 31, 2022	1,890	4,280	6,170

The fair value of investments in land development entities are based on the market 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. During the three months ended March 31, 2022, the Corporation recorded \$Nil as a change in investment in land development entities (2021 - \$Nil).

14. CONSOLIDATED ENTITIES

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

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

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

15. SUBSEQUENT EVENTS

Subsequent to March 31, 2022, the following occurred:

- a) On April 4, 2022, the Corporation completed the acquisition of approximately 157 acres of future residential development land in the City of Calgary for \$29,150 pursuant to a binding agreement entered into in 2021.
- b) The Corporation entered into a binding agreement to acquire approximately 160 acres of future residential development land in the southeast sector of the City of Calgary. The Corporation has paid non-refundable deposits of \$3,300. Depending on the timing of the receipt of certain approvals from the City of Calgary the purchase will cost either \$28,000 or \$30,000 with the closing date being either June 15, 2023 or January 31, 2025.