



GENESIS LAND DEVELOPMENT CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2023 and 2022
(Unaudited)

FIRST QUARTER

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

	Notes	March 31, 2023	December 31, 2022
Assets			
Real estate held for development and sale	3	273,220	265,683
Amounts receivable	11a	23,786	22,165
Investments in land development entities	13	6,730	6,730
Investment in joint venture	14	3,588	3,588
Other operating assets	9	18,042	20,679
Right-of-use assets		510	562
Deferred tax assets		7,644	8,135
Income taxes recoverable		371	-
Cash and cash equivalents		28,525	36,598
Total assets		362,416	364,140
Liabilities			
Loan and credit facilities	4	49,454	65,057
Customer deposits	10	13,489	15,753
Accounts payable and accrued liabilities	11a	18,840	12,470
Accounts payable related to residential lot purchases		18,295	17,944
Lease liabilities		771	841
Income tax payable		-	704
Provision for future development costs	5	24,370	24,034
Total liabilities		125,219	136,803
Commitments and contingencies	8		
Subsequent events	18		
Equity			
Share capital	6	82,367	82,383
Contributed surplus	7c	1,063	1,063
Retained earnings	2	143,135	141,186
Shareholders' equity		226,565	224,632
Non-controlling interest	15	10,632	2,705
Total equity		237,197	227,337
Total liabilities and equity		362,416	364,140

See accompanying notes to the condensed consolidated interim financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
For the three months ended March 31, 2023 and 2022
(In thousands of Canadian dollars except per share amounts)

		Three months ended March 31,	
	Notes	2023	2022
Revenues			
Sales revenue		37,321	20,372
Other revenue		28	7
	12	37,349	20,379
Direct cost of sales		(30,160)	(15,816)
Gross margin		7,189	4,563
General and administrative		(4,323)	(3,732)
Selling and marketing		(1,876)	(1,139)
		(6,199)	(4,871)
Earning (loss) from operations		990	(308)
Finance income		334	52
Finance expense		(951)	(292)
Earnings (loss) before income taxes		373	(548)
Income tax expense		(39)	(28)
Net earnings (loss) being comprehensive earnings (loss)		334	(576)
Attributable to non-controlling interest		174	(80)
Attributable to equity shareholders		160	(496)
Net earning (loss) per share - basic and diluted	6b	0.00	(0.01)

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, 2023 and 2022
(In thousands of Canadian dollars except number of shares)

	Notes	Equity attributable to Corporation's shareholders					Non-Controlling Interest	Total Equity
		Common shares - Issued		Contributed Surplus	Retained Earnings	Total Shareholders' Equity		
		Number of Shares	Amount					
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		-	-	-	-	-	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

At December 31, 2022		56,863,335	82,383	1,063	141,186	224,632	2,705	227,337
Normal course issuer bid	6c	(10,308)	(16)	-	(7)	(23)	-	(23)
Distributions		-	-	-	-	-	(1,388)	(1,388)
Change of ownership interest / Contribution	15	-	-	-	1,796	1,796	9,141	10,937
Net earnings being comprehensive earnings		-	-	-	160	160	174	334
At March 31, 2023		56,853,027	82,367	1,063	143,135	226,565	10,632	237,197

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, 2023 and 2022
(In thousands of Canadian dollars)

		Three months ended March 31,	
	Notes	2023	2022
Operating activities			
Receipts from residential lot sales		3,004	3,771
Receipts from development land sales		-	2,200
Receipts from residential home sales		31,531	22,706
Sale of ownership interest in Lewiston Lands Limited Partnership ("LLLP")	15	11,760	-
Interest received		334	52
Other cash receipts		28	247
Paid for land development		(4,634)	(5,911)
Paid for lots / land acquisition		(2,503)	(1,994)
Paid for land acquisition in trust		-	(26,964)
Paid for residential home construction		(25,285)	(12,771)
Paid to suppliers and employees		(4,755)	(5,085)
Income tax payments		(1,446)	(2,693)
Cash flows from (used in) operating activities		8,034	(26,442)
Investing activities			
Acquisition of equipment		(180)	(33)
Change in restricted cash		1,817	3,124
Cash flows from investing activities		1,637	3,091
Financing activities			
Advances from loans and credit facilities	4	5,970	301
Repayments of loans and credit facilities		(21,362)	(8,005)
Repayment of vendor-take-back mortgage payable		-	(9,312)
Interest and fees paid on loans and credit facilities		(1,353)	(612)
Distributions to unit holders of limited partnerships		(976)	-
Issue of share capital / cancellation of shares under NCIB	6c	(23)	-
Cash flows used in financing activities		(17,744)	(17,628)
Change in cash and cash equivalents		(8,073)	(40,979)
Cash and cash equivalents, beginning of period		36,598	63,975
Cash and cash equivalents, end of period		28,525	22,996

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, 2023 and 2022

(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.

The condensed consolidated interim financial statements of Genesis were approved for issuance by the Board of Directors on May 4, 2023.

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, 2022 except as described below. 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 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, 2022.

Changes in ownership interests

During the year ended December 31, 2022, 100% of Lewiston Lands Limited Partnership ("LLLLP") was owned by the Corporation. During the three months ended March 31, 2023, the Corporation sold 40% of its ownership stake in LLLL to two Calgary based third party home builders (note 15). This transaction resulted in a change in ownership interest while still retaining control and is accounted for as a transaction with equity holders. As a result, no gain or loss was recognized in profit or loss; instead, it was recognized in equity. The interests of the parent and non-controlling interest ("NCI") in the subsidiary have been adjusted to reflect the relative change in the interest in the subsidiary's equity. The amount by which the NCI is adjusted, and the fair value of the consideration paid or received is recognized directly in retained earnings in shareholders' equity and attributed to the owners of the parent.

GENESIS LAND DEVELOPMENT CORP.
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(Unaudited)

For the three months ended March 31, 2023 and 2022

(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, 2022	45,651	177,078	48,506	271,235	3,109	(4,130)	270,214
Development activities	1,007	3,388	20,721	25,116	10	-	25,126
Transfer	9,188	(9,085)	-	103	(103)	-	-
Acquisitions	-	1,253	6,590	7,843	-	-	7,843
Sold	(6,076)	-	(18,140)	(24,216)	(935)	(318)	(25,469)
As at March 31, 2023	49,770	172,634	57,677	280,081	2,081	(4,448)	277,714
Provision for write-downs							
As at December 31, 2022	2,843	1,688	-	4,531	-	-	4,531
Sold	(37)	-	-	(37)	-	-	(37)
As at March 31, 2023	2,806	1,688	-	4,494	-	-	4,494
Net book value							
As at December 31, 2022	42,808	175,390	48,506	266,704	3,109	(4,130)	265,683
As at March 31, 2023	46,964	170,946	57,677	275,587	2,081	(4,448)	273,220

During the three months ended March 31, 2023, the Corporation closed the acquisition of an additional 25 acres in the OMNI project in North Conrich from GLP5 NE Calgary Development Inc. for \$1,253 (see note 16 for additional information).

During the three months ended March 31, 2023, the Corporation entered into a binding agreement to acquire 53 residential lots in the Calgary Metropolitan Area for \$6,590. The Corporation paid non-refundable deposits of \$1,239 with the balance of \$5,351, due on closing which is scheduled between July 2023 and July 2024.

During the three months ended March 31, 2023, interest of \$201 (2022 - \$111) was capitalized as a component of development activities.

GENESIS LAND DEVELOPMENT CORP.
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4. LOAN AND CREDIT FACILITIES

	March 31, 2023	December 31, 2022
Secured by specific dedicated lands and a general corporate charge on all assets of the Corporation		
a) Corporate revolving credit facility up to \$50,000 with a major Canadian financial institution at an interest rate per annum of prime +1.90%. The facility was extended in January 2023 and matures on February 1, 2026.	11,350	25,626
Secured by agreements receivable, real estate held for development and sale and a corporate guarantee		
b) Demand land project servicing facilities from a major Canadian chartered bank, payable on collection of agreements receivable, bearing interest at prime +0.50% per annum, secured by real estate held for development and sale with a carrying value of \$15,815. Loan amounts are due between May 12, 2024, and March 19, 2025.	11,682	12,522
c) Demand operating credit facility up to \$21,500 from a major Canadian chartered bank, bearing interest at prime +0.50% per annum, secured by real estate held for development and sale with a carrying value of \$45,293. Loan amount is due on October 27, 2025.	20,554	20,198
Secured by housing projects under development and a corporate guarantee		
d) Demand operating credit facility up to \$10,000 from a major Canadian chartered bank, bearing interest at prime +0.75% per annum, secured by a general security agreement over assets of the home building division.	6,732	7,364
	50,318	65,710
Deferred fees on loan and credit facilities	(864)	(653)
	49,454	65,057

The weighted average interest rate of loan agreements with financial institutions was 7.55% (December 31, 2022 - 7.52%) based on March 31, 2023 balances.

During the three months ended March 31, 2023, the Corporation received advances of \$5,970 (2022 - \$301) relating to various loan facilities. These loan facilities bear interest ranging from prime +0.50% to prime +1.90% per annum, with maturity dates ranging from May 12, 2024 to February 1, 2026. During the three months ended March 31, 2023, the Corporation incurred interest expense of \$1,052 related to all loans (2022 - \$312).

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4. LOAN AND CREDIT FACILITIES (continued)

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

April 1, 2023 to March 31, 2024	6,732
April 1, 2024 to March 31, 2025	11,682
April 1, 2025 to March 31, 2026	31,904
	50,318

As at March 31, 2023 and at December 31, 2022, 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, 2022	20,105	3,929	24,034
Additions	1,972	4,815	6,787
Changes to estimates	1	(29)	(28)
Development activities	(2,252)	(4,171)	(6,423)
As at March 31, 2023	19,826	4,544	24,370

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, 2023 and 2022:

	Three months ended March 31,	
	2023	2022
Basic and diluted weighted average number of common shares	56,859,334	56,863,335

In calculating the diluted earnings for the three months ended March 31, 2022, the Corporation excluded 855,000 options as their weighted exercise price was higher than the average market price of the Corporation's shares during the period. The Corporation cancelled all outstanding stock options as of May 2022.

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6. SHARE CAPITAL (continued)

c) Normal course issuer bid (“NCIB”)

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

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

	Three months ended March 31,	
	2023	2022
Number of shares repurchased and cancelled	10,308	-
Reduction in share capital	16	-
Change in retained earnings	7	-
Reduction in shareholders' equity	23	-
Average purchase price per share	2.16	-

7. SHARE-BASED COMPENSATION

a) Stock option plan

The Corporation cancelled all outstanding stock options as of May 2022 (855,000 with a weighted average exercise price of \$3.31 were outstanding during the three months ended March 31, 2022).

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(Unaudited)

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7. SHARE-BASED COMPENSATION (continued)

b) Deferred share unit (“DSU”) plan

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

	Three months ended March 31,	
	2023	2022
DSUs outstanding - beginning of period	1,065,060	573,743
DSUs granted	216,019	194,590
DSUs outstanding - end of period	1,281,079	768,333
DSUs vested - end of period	855,298	338,113

The outstanding liability related to cash settled DSUs as at March 31, 2023 was \$2,247 (December 31, 2022 - \$1,950) and is recorded in accounts payable and accrued liabilities. DSUs are measured at fair value at each reporting period on a mark-to-market basis.

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,	
	2023	2022
Stock options	-	6
Deferred share units related to grants which are to be cash settled	297	504
Total share-based compensation expense	297	510

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

(Unaudited)

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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, 2023, these amounted to \$5,514 (December 31, 2022 - \$5,414).

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

April 1, 2023 to March 31, 2024	7,475
April 1, 2024 to March 31, 2025	3,841
April 1, 2025 to March 31, 2026	800
	12,116

c) The Corporation has contracted to acquire 198 residential lots in the Calgary Metropolitan Area for \$31,978 from third-party land developers. The Corporation has paid deposits totaling \$6,108 with the remainder being payable as follows:

April 1, 2023 to March 31, 2024	5,520
April 1, 2024 to March 31, 2025	4,235
April 1, 2025 to March 31, 2026	15,934
April 1, 2026 to March 31, 2027	181
	25,870

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

(Unaudited)

For the three months ended March 31, 2023 and 2022

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

9. OTHER OPERATING ASSETS

	March 31, 2023	December 31, 2022
Deposits	10,620	11,122
Restricted Cash	5,124	6,849
Prepayments	663	1,118
Property, equipment and other	1,635	1,590
	18,042	20,679

Deposits include amounts paid by the Corporation towards the purchase of lots and land as well as amounts paid to development authorities as security to guarantee the completion of construction projects under development. Restricted cash includes funds held in trust related to acquisition and sale of development land and lots. The Corporation also provides letters of credit and surety bonds as security to guarantee the completion of certain construction projects (see note 8a for additional information).

10. CUSTOMER DEPOSITS

	March 31, 2023	December 31, 2022
Customer deposits on residential home sales	8,865	9,194
Customer deposits on residential lot and development land sales	4,624	6,559
	13,489	15,753

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

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

(Unaudited)

For the three months ended March 31, 2023 and 2022

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

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

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

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

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

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

The Corporation's current financial assets are measured at amortized cost or fair value through profit and loss ("FVTPL"). The estimated fair value of financial assets and liabilities measured at FVTPL as at March 31, 2023 and December 31, 2022 are presented in the following table:

	Fair Value Hierarchy	Measurement Basis	Carrying Value		Fair Value	
			As at Mar. 31, 2023	As at Dec. 31, 2022	As at Mar. 31, 2023	As at Dec. 31, 2022
Financial Assets						
Cash	Level 1	FVTPL	28,525	36,598	28,525	36,598
Investments in land development entities	Level 3	FVTPL	6,730	6,730	6,730	6,730
Restricted cash ⁽¹⁾	Level 1	FVTPL	5,124	6,849	5,124	6,849
Financial Liabilities						
Cash settled DSUs	Level 1	FVTPL	2,247	1,950	2,247	1,950

⁽¹⁾ Included in other operating assets.

During the three months ended March 31, 2023 and 2022, no transfers were made between the levels in the fair value hierarchy.

GENESIS LAND DEVELOPMENT CORP.
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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, 2023, which comprise greater than 10% of total amounts receivable, totaled \$23,228 from two customers (December 31, 2022 - \$21,207 from two customers).

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

	March 31, 2023	December 31, 2022
Due on sold lots	23,228	21,207
Other receivables	558	958
	23,786	22,165

(ii) Liquidity risk

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

	<1 Year	>1 Year	Total
Financial liabilities			
Accounts payable and accrued liabilities	18,840	-	18,840
Accounts payable related to residential lot purchases	12,533	5,762	18,295
Loan and credit facilities excl. deferred fees on loan and credit facilities (note 4)	6,732	43,586	50,318
	38,105	49,348	87,453
Commitments			
Lease obligations (including variable operating costs)	535	1,234	1,769
Land purchase contracts	531	26,700	27,231
Lot purchase contracts (note 8c)	5,520	20,350	25,870
Levies and municipal fees (note 8b)	7,475	4,641	12,116
	14,061	52,925	66,986
	52,166	102,273	154,439

As at March 31, 2023, the Corporation had obligations due within the next 12 months of \$52,166 (December 31, 2022 - \$48,824). Based on the Corporation's operating history, its relationship with its lenders and committed sales contracts, management believes that the Corporation has the ability to continue to renew or repay its financial obligations as they come due. During the three months ended March 31, 2023, the corporate revolving line of credit was extended until February 2026 (note 4a).

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11. FINANCIAL INSTRUMENTS (continued)

(iii) Market risk

The Corporation is exposed to interest rate risk to the extent that certain agreements receivable and certain loan and credit facilities are at a floating rate of interest. A 1% change in interest rates would result in a change in interest incurred of approximately \$503 annually on floating rate facilities (2022 - \$162).

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, 2023	December 31, 2022
Loan and credit facilities (note 4)	49,454	65,057
Shareholders' equity	226,565	224,632
	276,019	289,689

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12. SEGMENTED INFORMATION

The income producing business units of the Corporation reported the following activities for the three months ended March 31, 2023 and 2022:

Three months ended March 31, 2023	Land Development Segment			Total	Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination				
Revenues	9,860	10	-	9,870	31,875	(4,396)	37,349
Revenues - development lands	-	1,253	(1,253)	-	-	-	-
Direct cost of sales	(8,057)	(935)	935	(8,057)	(26,499)	4,396	(30,160)
Gross margin	1,803	328	(318)	1,813	5,376	-	7,189
G&A, selling & marketing and net finance expense or income	(2,767)	(24)	-	(2,791)	(4,025)	-	(6,816)
(Loss) earning before income taxes and non-controlling interest	(964)	304	(318)	(978)	1,351	-	373
Segmented assets as at March 31, 2023	297,376	2,600	(4,627)	295,349	73,698	(6,631)	362,416
Segmented liabilities as at March 31, 2023 ^{(1), (2)}	80,363	979	(179)	81,163	50,687	(6,631)	125,219
Segmented net assets as at March 31, 2023 ^{(1), (2)}	217,013	1,621	(4,448)	214,186	23,011	-	237,197

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 December 31, 2022	302,477	3,701	(4,495)	301,683	64,777	(2,320)	364,140
Segmented liabilities as at December 31, 2022 ^{(1), (2)}	95,658	996	(365)	96,289	42,834	(2,320)	136,803
Segmented net assets as at December 31, 2022 ^{(1), (2)}	206,819	2,705	(4,130)	205,394	21,943	-	227,337

⁽¹⁾ Segmented liabilities under the Genesis home building segment include \$4,592 due to the land development segment (December 31, 2022 - \$61 due from the home building segment to the land development segment).

⁽²⁾ Segmented liabilities under the LP segment is comprised of accounts payable and accrued liabilities and includes \$179 (December 31, 2022 - \$365) due to Genesis.

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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, 2022	2,230	4,500	6,730
Change in Fair Value	-	-	-
As at March 31, 2023	2,230	4,500	6,730

The fair value of investments in land development entities is based on the market approach method. Fair values were obtained from external third-party appraisals at year end. 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, 2023, the Corporation recorded \$Nil as a change in investment in land development entities (2022 - \$Nil).

14. JOINT VENTURE

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

SHEA LP is accounted for using the equity method with the Corporation's share of net assets being \$3,588 at March 31, 2023 (December 31, 2022 - \$3,588). During the three months ended March 31, 2023, there were minimal transactions in SHEA LP.

15. LEWISTON LANDS LIMITED PARTNERSHIP

In December 2022, the Corporation entered into binding agreements to sell a 20% ownership stake in LLLP to each of two Calgary based third party home builders. LLLP owns 130 acres of residential development land located in north Calgary in the Keystone Area Structure Plan. The transaction closed on January 16, 2023, for a consideration for each 20% ownership stake of \$5,880 (net of assumption of debt of \$4,000 each) resulting in gross proceeds for the sale of a 40% ownership interest of \$11,760 (net of assumption of debt of \$8,000). LLLP accounts for \$9,011 of the NCI on the condensed consolidated interim balance sheets (December 31, 2022 - \$Nil)

16. RELATED PARTY TRANSACTIONS

Transactions occurred with the following related parties:

In 2005, the Corporation sold a 49% undivided interest in approximately 610 acres to Genesis Limited Partnership #4 and GLP5 NE Calgary Development Inc. (collectively, "LP4/5 group") for \$7,670. In July 2022, the Corporation repurchased from LP4/5 group their 49% undivided interest in 456 acres of land for \$6,699 with LP4/5 group still owning a 49% undivided interest in the remaining 154 acres of land. In February 2023, the Corporation paid \$1,253 to GLP5 NE Calgary Development Inc. to acquire an additional 25 acres in the OMNI project in North Conrich. This results in Genesis holding a 100% interest in 456 acres of land and a 73% interest (previously 59%) in the 185-acre OMNI project, with the remaining 27% being held by Genesis Limited Partnership #4.

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17. CONSOLIDATED ENTITIES

The Statements include the accounts of the Corporation and its wholly-owned subsidiaries, as well as the consolidated revenues, expenses, assets, liabilities and cash flows of limited partnership entities that the Corporation controls. The Corporation has less than 50% equity ownership in these limited partnership entities (with the exception of LLLP); 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.

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

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17. CONSOLIDATED ENTITIES (continued)

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

Name	% equity interest as at	
	March 31, 2023	December 31, 2022
Land Development		
Genpol Inc.	100%	100%
Genpol LP	100%	100%
1504431 Alberta Ltd.	0.0002%	0.0002%
Genesis Sage Meadows Partnership	99.9998%	99.9998%
Genesis Land Development (Southeast) Corp.	100%	100%
Genesis Keystone Ltd.	100%	100%
Polar Hedge Enhanced Income Trust	100%	100%
Genesis Land Development (Ricardo Ranch) Corp.	100%	100%
Sage Hill Crest Apartments Corp.	100%	100%
Siseneg Holding Inc.	100%	100%
GLDC Management Inc.	100%	100%
Lewiston Lands Limited Partnership (note 15)	60%	100%
Lewiston Lands GP Inc.	100%	100%
Home Building		
Genesis Builders Group Inc.	100%	100%
Joint Venture		
Sage Hill Estates Apartments LP	49%	49%
Sage Hill Estates Apartments GP Inc.	2%	2%
Kinwood Communities Inc.	50%	50%
Limited Partnerships		
LP 4/5 Group		
Genesis Limited Partnership #4 ⁽¹⁾	0.001%	0.001%
Genesis Limited Partnership #5, GLP5 GP Inc., GLP5 NE Calgary Development Inc.	0%	0%
Genesis Northeast Calgary Ltd.	100%	100%
LPLP 2007 Group		
Limited Partnership Land Pool (2007)	0.023%	0.023%
GP LPLP 2007 Inc.	100%	100%
GP RRSP 2007 Inc., LPLP 2007 Subco Inc.	0%	0%
LPLP 2007 Subco #2 Inc., LP RRSP Limited Partnership #1	0%	0%
LP RRSP Limited Partnership #2	0%	0%

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

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18. SUBSEQUENT EVENTS

Subsequent to March 31, 2023, the following occurred:

LLLP set up a demand land servicing credit facility of \$35,428 with a major Canadian financial institution at an interest rate of prime +0.5% per annum. This facility matures 36 months from the date of initial drawdown. There have been no drawdowns to date.