GENESIS LAND DEVELOPMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and year ended December 31, 2022

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

The consolidated financial statements and comparative information have been reviewed by the Corporation's audit committee, consisting of four independent 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. Basic and diluted earnings (loss) per share, cash flows from operating activities per share (basic and diluted), and dividends per share for prior periods have been recalculated to account for the impact of the Corporation's share issue pursuant to a rights offering that closed on December 17, 2021. This MD&A is dated as of March 2, 2023.

STRATEGY AND 2022 BUSINESS PLAN

Strategy

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

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

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

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

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

Highlights:

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

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

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

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

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

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

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

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

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

OPERATING HIGHLIGHTS

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

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

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

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

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

Factors Affecting Results of Operations

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

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

Market Overview

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

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

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

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

2022 Business Plan

Progress on 2022 Business Plan

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

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

1) Obtaining Additional Zoning and Servicing Entitlements

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

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

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

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

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

2) Development and Sale of Land Parcels

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

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

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

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

3) Servicing Additional Phases

Genesis commenced servicing of new phases in 2022:

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

4) Investing in Additional Lands

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

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

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

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

5) Adding Select Third Party Builders in Genesis Communities

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

6) Increasing the Velocity of Homes Sold by GBG

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

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

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

7) Liquidity and Return of Capital

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

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

Outlook

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

Land Development

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

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

Gross margin by source of revenue

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

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

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

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

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

Revenues and unit volumes

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

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

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

Gross margin

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

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

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

Gain in investments in land development entities

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

Other expenses

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

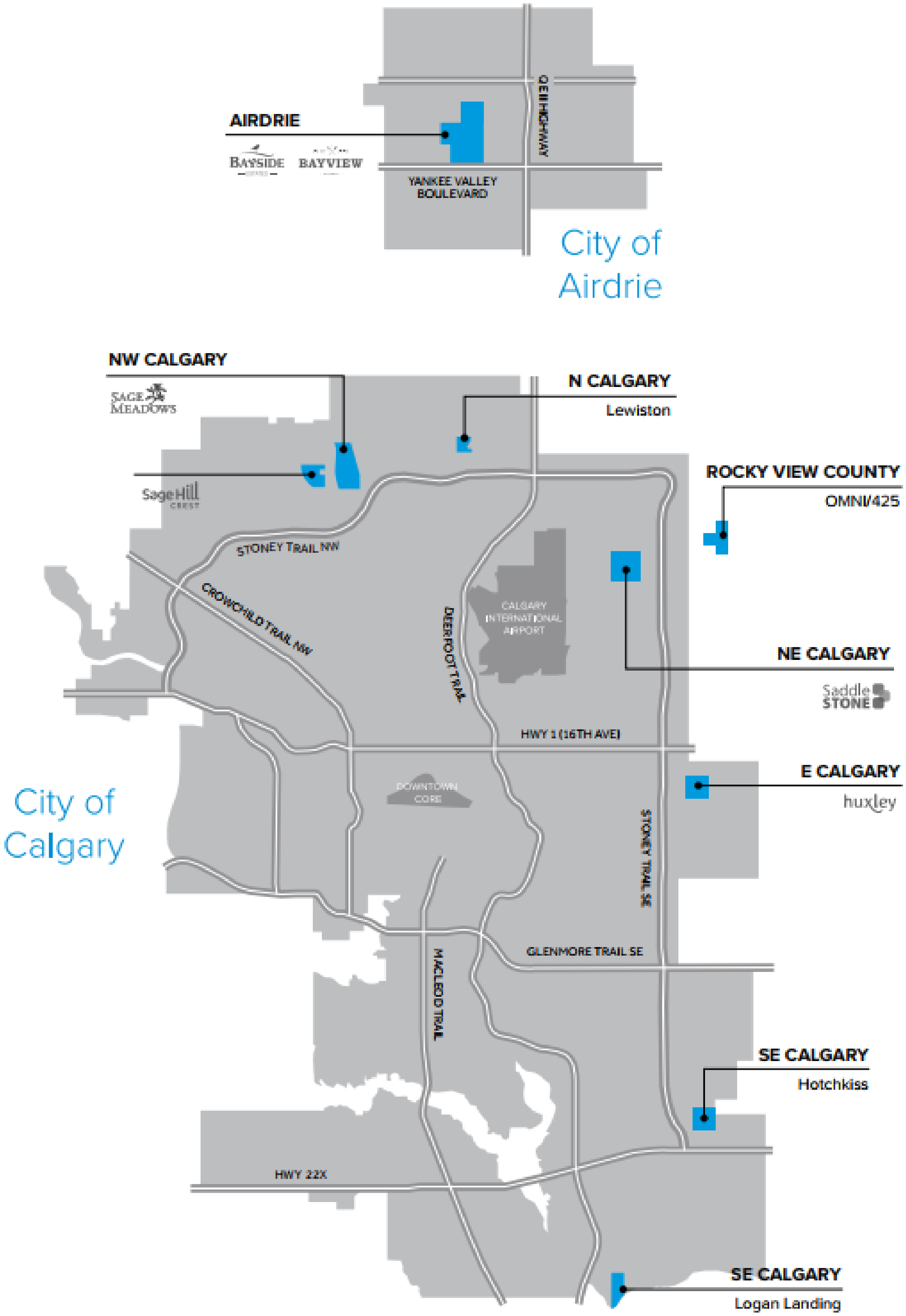
[1] Not relevant due to the size of the change

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

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

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

Location of Genesis' Land Development Projects



Home Building – Genesis Builders Group Inc. (GBG)

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

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

[1] Revenues include residential home sales and other revenue

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

Revenues and unit volumes

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

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

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

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

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

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

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

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

Gross margin

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

Other expenses

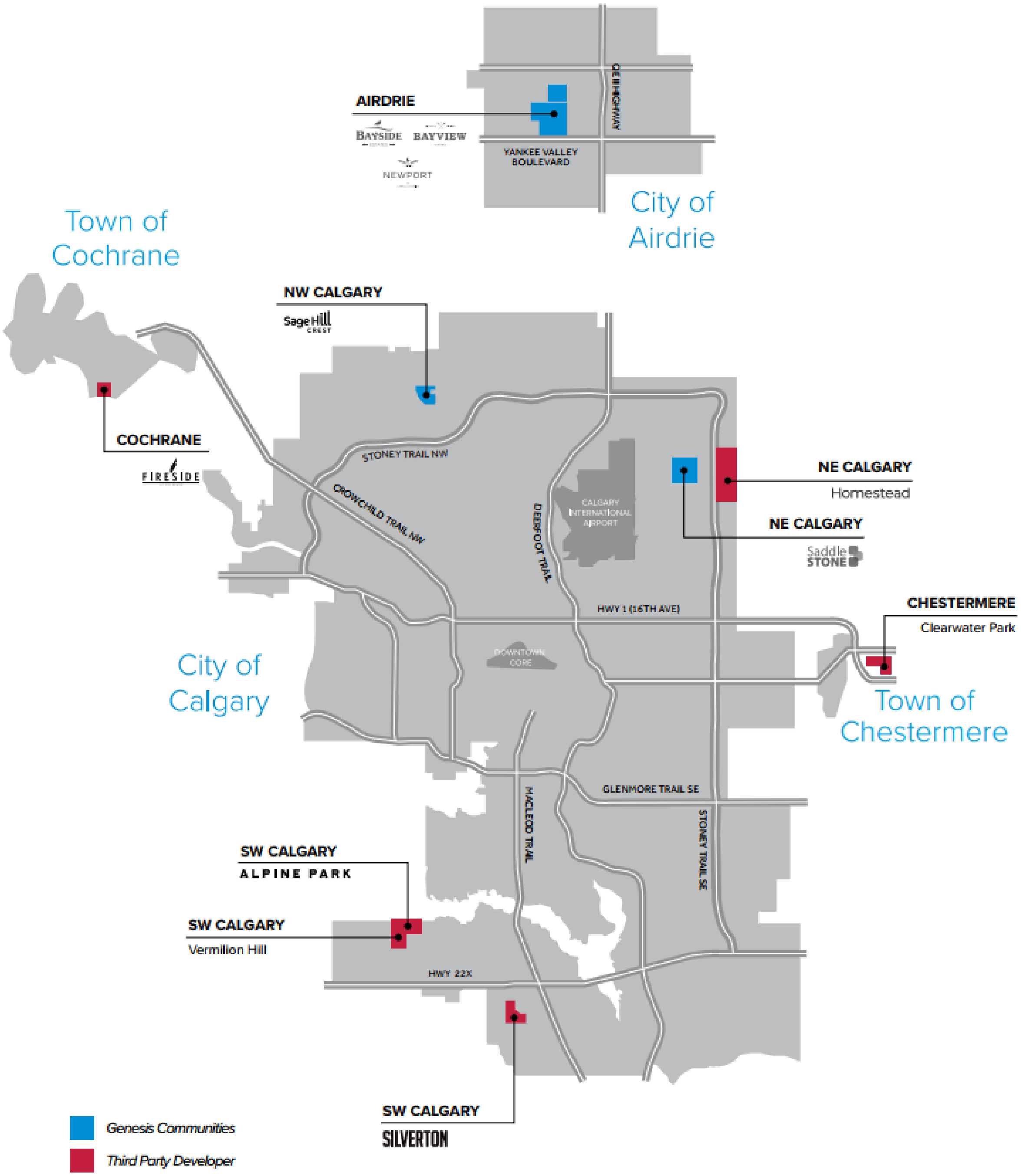
	Three months ended December 31,			Year ended December 31,		
	2022	**2021**	**% change**	**2022**	**2021**	**% change**
Other expenses						
General and administrative expense	**(2,338)**	(1,867)	25.2%	**(8,351)**	(6,484)	28.8%
Selling and marketing expense	**(1,248)**	(885)	41.0%	**(4,059)**	(3,390)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

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

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

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

Location of GBG Building Communities



Real Estate Held for Development and Sale

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

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

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

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

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

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

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

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

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

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

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

Amounts Receivable

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

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

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

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

Cash Flows (used in) from Operating Activities

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

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

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

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

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

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

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

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

LIABILITIES AND SHAREHOLDERS' EQUITY

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

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

The ratio of total liabilities to equity is as follows:

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

(1) Calculated as total liabilities divided by total equity

Loan and Credit Facilities

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

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

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

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

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

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

Corporate revolving line of credit

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

Demand land project servicing loans

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

Demand operating line for LLLP

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

Demand operating line for single-family homes

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

Vendor-take-back mortgage payable

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

Provision for Future Development Costs

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

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

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

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

LIQUIDITY AND CAPITAL RESOURCES

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

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

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

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

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

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

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

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

Finance Expense

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

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

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

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

Income Tax Payable

The continuity in income tax payable is as follows:

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

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

Shareholders' Equity

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

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

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

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

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

Contractual Obligations and Debt Repayment

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

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

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

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

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

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

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

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

Current Contractual Obligations and Commitments

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

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

OFF BALANCE SHEET ARRANGEMENTS

Letters of Credit and Surety Bonds

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

Levies and Municipal Fees

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

Land and Lot Purchase Contracts

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

SELECTED ANNUAL INFORMATION

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

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

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

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

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

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

Summary analysis for last 3 years

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

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

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

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

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

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

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

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

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

SUMMARY OF QUARTERLY RESULTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RELATED PARTY TRANSACTIONS

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

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

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

SUBSEQUENT EVENTS

Subsequent to December 31, 2022, the following occurred:

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

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

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

SUMMARY OF ACCOUNTING CHANGES

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

NEW ACCOUNTING PRONOUNCEMENTS

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

CRITICAL ACCOUNTING ESTIMATES

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

Provision for Future Development Costs

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

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

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

Valuation of Amounts Receivable

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

Investments in Land Development Entities

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

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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

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

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

RISKS AND UNCERTAINTIES

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

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

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

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

Development and Construction Cost Risk

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

Credit and Liquidity Risk

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

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

Finance Risk

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

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

Litigation Risk

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

Cybersecurity and Business Continuity Risk

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

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

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

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

NON-GAAP MEASURES

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

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

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

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

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

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

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

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

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

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

TRADING AND SHARE STATISTICS

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

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

OTHER

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

ADVISORIES

Cautionary Note Regarding Forward-Looking Statements

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

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

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

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

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