GENESIS LAND DEVELOPMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2024

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 unaudited condensed consolidated interim financial statements and the notes thereto for the three months ended March 31, 2024 and 2023, prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The unaudited condensed consolidated interim financial statements and comparative information have been reviewed by the Corporation's audit committee, consisting of three independent directors, and approved by the board of directors of the Corporation. Additional information, including the Corporation's Annual Information Form ("**AIF**") and the Corporation's MD&A for the year ended December 31, 2023, are available on SEDAR+ at www.sedarplus.ca.

All amounts are in thousands of Canadian dollars, except per share amounts or unless otherwise noted. This MD&A is dated as of May 7, 2024.

STRATEGY AND 2024 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 returns.

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

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

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

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

Market Overview

The Royal Bank of Canada estimates that Alberta's 2024 GDP growth will remain amongst the highest in the country at 1.7%. While economic growth is expected to slow with persistently high inflation and interest rates, Alberta's strong demographics continue to support relatively robust employment growth and residential investment.

According to the Calgary Real Estate Board ("CREB"), residential home sales in Q1 2024 remained strong largely due to continued strong migration levels. Housing supply levels remained low compared to the demand throughout the quarter, resulting in increasing benchmark prices.

Overall sales in Calgary were 6,448 in Q1 2024, an increase of 20% from Q1 2023. Home inventory levels remained low at 2,532, a 22% decrease from March 2023. Months of supply fell below one month which is indicative of a strong sellers' market. These persistently tight conditions contributed to an increase of approximately 10% in benchmark prices in Calgary during Q1 2024. In neighboring Airdrie, where Genesis has two active projects, supply continues to remain at historically low levels.

2024 Business Plan

Progress on 2024 Business Plan

Genesis continues to execute its growth business plan. Genesis achieved some significant milestones in 2023 receiving final development approvals enabling Genesis to proceed with development of its Lewiston, Logan Landing and Huxley communities in 2024. Development of these communities continues in 2024.

Growth also continues for GBG which is now building in eleven communities in the CMA.

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

1) Obtaining Additional Zoning and Servicing

Zoning and servicing entitlements are granted by the applicable municipal authorities.

Genesis received final development approvals and commenced development in the communities of Lewiston, Logan Landing and Huxley in 2023. Site earthworks and planning activities continued through Q1 2024.

In Rocky View County ("County"), Genesis has received an Area Structure Plan ("ASP") approval for the OMNI project, a 185-acre commercial and retail project on a portion of the 610 acres of undeveloped land that Genesis controls in the County bordering the northeast quadrant of the City of Calgary. Progress continues with the County on the approval of a conceptual scheme for this project, with first reading received in September 2022. Approval is anticipated in 2024. Genesis and the County have successfully worked with Alberta Transportation to finalize plans and funding arrangements for an interchange at Stoney and Airport Trails with construction planned to start in late 2024 or early 2025. Funding is in place and design of the interchange is currently proceeding. Once completed, this interchange will provide primary transportation access to these lands.

The timelines discussed above are management's best estimates at this time, given the uncertainties related to the regulatory approval process and market conditions.

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 returns by selling or developing 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.

3) Servicing Additional Phases

Genesis continued servicing in three communities and commenced servicing two new phases in two existing communities in 2024:

- Lewiston: Servicing of the first phase of this north Calgary community commenced in 2023 and will add 184 single-family lots. Shallow utility installation commenced in Q4 2023. Lots became available to builders in Q2 2023 and are expected to be fully serviced in Q2 2024. Genesis plans to start servicing Lewiston phase 5 in Q2 2024, this phase will add 133 single-family lots and is anticipated to be fully serviced in Q4 2024. GBG and two third parties (each with a 20% ownership interest) will be the home builders in these phases;
- Logan Landing: Servicing of the first phase in this southeast Calgary community will add 266 single-family lots. Surface construction commenced in Q4 2023. Lots became available to builders in Q4 2023 and are expected to be fully serviced in Q2 2024. GBG and three third parties will be the home builders in this phase;
- Huxley: Servicing of this east Calgary community will add 1,368 single-family lots. Site earthworks and planning activities have continued through Q1 2024 with servicing of the first phase expected to commence in Q2 2024. Phase 1 will add 259 single-family lots. It is intended that GBG and two third parties will be the home builders in this phase; and
- Bayview: Servicing of Phase 3 is expected to commence in Q2 2024 and will add 133 single-family lots and a 1.89-acre commercial parcel. It is intended that GBG and two third parties will be the home builders in this phase.

4) Investing in Additional Lands

Building and selling homes in communities developed by other parties is a key strategy adopted in 2020 to drive growth and profitability in Genesis' home building division. GBG is now active in eleven communities, seven of which are third party communities namely Alpine Park, Clearwater, Fireside, Heartwood, Homestead, Silverton and Vermilion Hill.

In 2024, GBG contracted to acquire 180 lots in the CMA from third party developers in the communities of Homestead and Vermillion Hill. As of March 31, 2024, GBG had outstanding contracts to purchase 559 lots. GBG has 160 orders for homes to be built on these lots.

5) Land Development Partnerships

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

Lewiston Lands Limited Partnership ("LLLP") commenced with approximately 130 acres of residential development land, referred to as Lewiston, in north Calgary in the Keystone Area Structure Plan. In January 2023, Genesis closed a transaction to sell a 40% ownership stake in LLLP to two Calgary based third party home builders.

Huxley Lands Limited Partnership ("HLLP") commenced with approximately 157 acres of future residential development land (Huxley) in the Belvedere ASP on the east side of the City of Calgary.

Development activities in Lewiston and Huxley are proceeding as described above.

6) Adding Select Third Party Builders in Genesis Communities

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

7) Increasing the Velocity of Homes Sold by GBG

During Q1 2024, GBG entered into 113 new home sales contracts compared to 24 new home sales contracts in Q1 2023. As of March 31, 2024, Genesis had 275 outstanding new home orders, an increase of 63% compared to 169 as at March 31, 2023. 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.

8) Liquidity and Return of Capital

Liquidity: As of March 31, 2024, Genesis had $39,230 of cash and cash equivalents on hand (year-end ("YE") 2023 - $37,546), loan and credit facilities of $97,892 (YE 2023 - $103,587), real estate assets of $327,405 (YE 2023 - $342,791) and total assets of $438,347 (YE 2023 - $440,083). The ratio of loan and credit facilities to total assets was 22% as at March 31, 2024 compared to 24% as at December 31, 2023.

Return of Capital to Shareholders: Since 2014, when Genesis paid its first dividend, it has returned an aggregate of $76,331 to shareholders by way of dividends and bought back nearly 3.1 million common shares for an aggregate cost of $8,962.

Outlook

Genesis continues to execute on its growth strategy in both its land and housing divisions, sustained by a backlog of new home orders and the continued strength of the CMA market. Despite higher interest rates, inflationary pressures and tight labour markets impacting home affordability, due to the historic low supply of homes for sale, combined with strong housing demand driven by high levels of migration to the CMA, home prices continue to move higher.

Genesis is working proactively with key contractor partners and home buyers to address concerns relating to cost increases and a lack of skilled labour and some products and materials in both our land development and home building divisions.

OPERATING HIGHLIGHTS

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

($000s, except for per share items or unless otherwise noted)	**Three months ended March 31, [1]** **2024**	2023
Key Financial Data		
Total revenues	**68,305**	**37,349**
Direct cost of sales	**(49,864)**	**(30,160)**
Gross margin	**18,441**	**7,189**
Gross margin (%)	**27.0%**	**19.2%**
Net earnings attributable to equity shareholders	**6,950**	**160**
Net earnings per share - basic and diluted	**0.12**	**0.00**
Key Operating Data		
Land Development		
Total residential lots sold (units)	**123**	62
Residential lot revenues	**16,625**	9,870
Gross margin on residential lots sold	**5,197**	1,813
Gross margin on residential lots sold (%)	**31.3%**	18.4%
Average revenue per lot sold (excluding non-core lots)	**150**	159
Home Building		
Homes sold (units)	**85**	60
Revenues [2]	**56,200**	31,875
Gross margin on homes sold	**13,244**	5,376
Gross margin on homes sold (%)	**23.6%**	16.9%
Average revenue per home sold	**661**	531
New home orders (units)	**113**	24
Outstanding new home orders at period end (units)	**275**	169

Key Balance Sheet Data	**As at Mar. 31, 2024**	**As at Dec. 31, 2023 [3]**
Cash and cash equivalents	**39,230**	37,546
Total assets	**438,347**	440,083
Loan and credit facilities	**97,892**	103,587
Total liabilities	**190,494**	198,942
Shareholders' equity	**238,052**	231,142
Total equity	**247,853**	241,141
Loan and credit facilities to total assets	**22%**	24%

[1] Three months ended March 31, 2024 and 2023 ("Q1 2024" and "Q1 2023", respectively).
[2] Includes other revenues and revenues of $4,520 for 31 lots in Q1 2024 purchased by the Home Building division from the Land Development division ($4,396 and 32 in Q1 2023) and sold with the home. These amounts are eliminated on consolidation.
[3] Year ended December 31, 2023 ("YE 2023")

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.

Genesis sold 85 single-family homes in Q1 2024 compared to 60 single family homes in Q1 2023. There were no development land sales in Q1 2024 or Q1 2023. Genesis sold 92 residential lots to third parties in Q1 2024 compared to 30 residential lots sold to third parties in Q1 2023. These sales resulted in total revenues of $68,305 in Q1 2024 compared to $37,349 in Q1 2023.

New home orders for Q1 2024 were 113 units compared to 24 units for the same period in 2023. The Corporation ended the first quarter of 2024 with 275 outstanding new home orders, compared to 169 outstanding new home orders in the comparable period a year earlier. At December 31, 2023, Genesis had 247 outstanding new home orders.

Net income attributable to equity shareholders in Q1 2024 was $6,950 ($0.12 income per share - basic and diluted) compared to net income attributable to equity shareholders of $160 ($0.00 income per share - basic and diluted) in Q1 2023.

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.

Land Development

	Three months ended March 31,		
	2024	**2023**	**% change**
Key Financial Data			
Residential lot revenues [1]	**16,625**	9,870	68.4%
Direct cost of sales	**(11,428)**	(8,057)	41.8%
Gross margin	**5,197**	1,813	N/R [2]
Gross margin (%)	**31.3%**	18.4%	70.1%
Other expenses	**(3,357)**	(2,791)	20.3%
Earnings (loss) before income taxes	**1,840**	(978)	N/R [2]
Key Operating Data			
Residential lots sold to third parties	**79**	30	N/R [2]
Residential lots sold to third parties - non-core lots	**13**	-	N/R [2]
Residential lots sold through GBG - home building	**31**	32	(3.1%)
Total residential lots sold	**123**	62	98.4%
Average revenue per lot sold (excluding non-core lots)	**150**	159	(5.7%)

[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

Gross margin by source of revenue

	Three months ended March 31,		
	2024	**2023**	**% change**
Residential lots			
Residential lot revenues [1]	**16,625**	9,870	68.4%
Direct cost of sales	**(11,428)**	(8,057)	41.8%
Gross margin	**5,197**	1,813	N/R [2]
Gross margin (%)	**31.3%**	18.4%	70.1%

[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

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

Revenues and unit volumes

Residential lot sales to third party builders occur periodically, usually when newly developed phases first become available for sale. Total residential lot sales revenues in Q1 2024 were $16,625 (123 lots) up from $9,870 (62 lots) in Q1 2023. In Q1 2024, 92 lots including 13 non-core lots ($100) were sold to third party builders compared to 30 lots sold to third party builders in Q1 2023. In Q1 2024, GBG sold 31 homes on Genesis lots, compared to 32 homes sold on Genesis lots in Q1 2023.

There were no development land sales in Q1 2024 and Q1 2023. 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 31% in Q1 2024 compared to 18% in Q1 2023. Residential lot and development land revenue and margins can vary significantly as described in the "*Factors Affecting Results of Operations"* in this MD&A. Some of these factors negatively impacted Sage Hill Crest which accounted for a large number of lots sold at a lower margin in 2023.

Other expenses

	Three months ended March 31,		
	2024	**2023**	**% change**
Other expenses			
General and administrative expense	**(2,287)**	(1,800)	27.1%
Selling and marketing expense	**(327)**	(509)	(35.8%)
Finance income	**459**	324	41.7%
Finance expense	**(1,202)**	(806)	49.1%
Total	**(3,357)**	(2,791)	20.3%

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

In Q1 2024, other expenses totaled $3,357 or 20% higher than $2,791 incurred in Q1 2023. Other expenses were higher in Q1 2024 mainly due to higher general and administrative expense and net finance expense, partially offset by lower selling and marketing expense in Q1 2024. Net finance expenses were higher due to higher interest rates and higher average loan balances in Q1 2024 as compared to Q1 2023. Higher general and administrative expenses, specifically compensation expenses in Q1 2024 were driven by increases in staffing and salary levels reflecting higher activity levels, inflation and a competitive labor market.

Home Building – Genesis Builders Group Inc. (GBG)

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

	Three months ended March 31,		
	2024	**2023**	**% change**
Key Financial Data			
Revenues [(1)]	**56,200**	31,875	76.3%
Direct cost of sales	**(42,956)**	(26,499)	62.1%
Gross margin	**13,244**	5,376	146.4%
Gross margin (%)	**23.6%**	16.9%	39.6%
Other expenses	**(6,071)**	(4,025)	50.8%
Earnings before income taxes	**7,173**	1,351	N/R [(2)]
Key Operating Data			
Homes sold (units)	**85**	60	41.7%
Average revenue per home sold	**661**	531	24.5%
New home orders (units)	**113**	24	N/R [(2)]
Outstanding new home orders at period end (units)	**275**	169	62.7%

[(1)] *Revenues include residential home sales and other revenue*
[(2)] *Not relevant due to size of the change*

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

Revenues and unit volumes

Revenues for single-family homes were $56,200 (85 units) in Q1 2024, 76% higher than Q1 2023 revenues of $31,875 (60 units). In addition, 113 homes were contracted for sale in Q1 2024, as compared to 24 in Q1 2023, resulting in 275 outstanding new home orders at the end of Q1 2024 as compared to 169 outstanding new home orders at the end of Q1 2023.

Homes sold in Q1 2024 had an average price of $661 per home compared to $531 in Q1 2023. Fluctuations in the average revenue per home sold are due to differences in product mix, community, and market conditions. During Q1 2024 and Q1 2023, GBG's single-family homes product ranged in price from $414 to $1,029 depending on the location and the models being offered. In Q1 2024, 85 homes were sold compared to 60 homes in Q1 2023, all of which were single-family homes.

31 of the 85 homes sold in Q1 2024 were built on residential lots supplied by Genesis, with lot revenues of $4,520, while 32 of the 60 homes sold in Q1 2023 were built on residential lots supplied by Genesis, with lot revenues of $4,396.

In 2024, GBG contracted to acquire 180 lots in the CMA from third party developers in the communities of Homestead and Vermillion Hill. GBG is currently building in seven third party communities, namely Alpine Park, Clearwater, Fireside, Heartwood, Homestead, Silverton and Vermilion Hill. As of March 31, 2024, GBG had outstanding contracts to purchase 559 lots. GBG has 160 new home orders on these lots.

GBG builds single-family homes either after receiving a firm sale contract (a "pre-construction home") or on a quick possession ("spec") basis and builds townhouses generally on a quick possession basis. The delivery time of a pre-construction home is approximately 10 to 12 months. Construction of quick possession homes commences before GBG receives a firm sale contract to ensure there is sufficient inventory for buyers seeking possession within a short period of time (often 30-90 days). Townhouses are multi-unit complexes for which GBG commences construction prior to selling units in any individual building. This provides construction efficiencies and requires GBG to build some townhouses on a spec basis and to hold them in inventory until sold. The timing of the sale of spec homes is unpredictable, with spec home buyers usually being time sensitive, wanting to take possession in a short time frame. Genesis closely monitors its home building work-in-progress to anticipate and react to market conditions in a timely manner. As at the end of Q1 2024, GBG had $77,165 of work in progress, of which approximately $4,099 related to spec homes and $3,448 related to the associated third party lots (YE 2023 - $88,314 of work in progress, of which $6,243 related to spec homes and $4,954 related to the associated third party lots).

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

	Three months ended March 31,		
	2024	**2023**	**% change**
Quick possession sales (units)	**11**	-	N/R [1]
Pre-construction home sales (units)	**74**	60	23.3%
Total home sales (units)	**85**	60	41.7%

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

Gross margin

Genesis realized gross margin on home sales of 23.6% in Q1 2024 as compared to 16.9% in Q1 2023. Fluctuations in gross margin are due to changes in market conditions and differences in product and community mix. In Q1 2024, 85 homes were sold compared to 60 homes in Q1 2023, all of which were single-family homes.

Other expenses

	Three months ended March 31,		
	2024	**2023**	**% change**
Other expenses			
General and administrative expense	**(3,301)**	(2,523)	30.8%
Selling and marketing expense	**(2,591)**	(1,367)	89.5%
Finance income	**74**	10	N/R [1]
Finance expense	**(253)**	(145)	74.5%
Total	**(6,071)**	(4,025)	50.8%

[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 Q1 2024, other expenses were $6,071, 51% higher than $4,025 incurred in Q1 2023. Other expenses were higher in Q1 2024 due to higher general and administrative expense, selling and marketing expense (including sales commissions) and net finance expense. Higher general and administrative expenses in Q1 2024 included higher compensation expenses driven by increases in staffing and salary levels reflecting higher activities levels, inflation and a competitive labor market. Increase in selling and marketing expenses was primarily due to higher levels of sales activity in the home building business. Higher net finance expenses were due to higher average loan balance and higher interest rate in Q1 2024 compared to the same period in 2023.

Real Estate Held for Development and Sale

	March 31, 2024	December 31, 2023	% change
Real estate held for development and sale	**327,405**	342,791	(4.5%)

Refer to note 3 in the condensed consolidated interim financial statements for the three months ended March 31, 2024 and 2023 which details the components of the changes in the net book value of real estate held for development and sale.

Real estate held for development and sale increases as a result of acquisitions and development activities and declines as a result of sales of residential lots, homes and development land parcels. Real estate held for development and sale declined by $15,386 as at Q1 2024 compared to YE 2023 mainly due to sales of residential lots and homes outpacing development and construction activities in the period.

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 March 31, 2024:

	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	28,292	15,412	43,704
Calgary NW - Sage Meadows	3,615	-	3,615
Calgary NW - Sage Hill Crest	10,928	-	10,928
Calgary N - Lewiston (owned LLLP)	-	59,189	59,189
Calgary SE - Logan Landing	-	61,939	61,939
Calgary SE - White Lands	-	22,705	22,705
Calgary E – Huxley (owned by HLLP)	-	33,720	33,720
Rocky View County - North Conrich	-	6,867	6,867
Rocky View County - OMNI	-	5,439	5,439
Other lands [(2)] - non-core	-	2,134	2,134
Total land development	42,835	207,405	**250,240**
Home building construction work-in-progress			37,113
Third party lots			40,052
Total home building			**77,165**
Total real estate held for development and sale			**327,405**

[(1)] Land held for development comprises lands not yet subdivided into single-family lots or parcels
[(2)] Other lands are non-core and available for sale

The following table presents the breakdown of Genesis' serviced single-family lots, multi-family and commercial parcels shown above, by community as at March 31, 2024:

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	28,292	298	16	1	-
Calgary NW - Sage Meadows	3,615	-	-	1	-
Calgary NW - Sage Hill Crest	10,928	26	-	-	1
Total	**42,835**	**324**	**16**	**2**	**1**

The following table presents the estimated equivalent, by community of single-family lots and multi-family and commercial acres of Genesis' land held for development (shown previously) as at March 31, 2024, 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 North Conrich. The timelines discussed are management's best estimates at this time, given the uncertainties related to the regulatory approval process and market conditions.

			Estimated Equivalent if/when Developed		
Land Held for Development, by Community	**Net Book Value**	**Land** [(1)] (acres)	**Single-family** (lots)	**Multi-family** (acres)	**Commercial** (acres)
Airdrie - Bayside, Bayview	15,412	73	410	2	2
Calgary N - Lewiston (owned by LLLP)	59,189	134	952	3	4
Calgary SE - Logan Landing	61,939	354	1,606	7	3
Calgary SE - White Lands	22,705	460	2,500	-	-
Calgary E – Huxley (owned by HLLP)	33,720	161	1,368	-	-
Rocky View County - North Conrich	6,867	425	-	-	-
Rocky View County - OMNI	5,439	185	-	-	-
	205,271	1,792	6,836	12	9
Other lands - non-core	2,134	300	-	-	-
Total	**207,405**	**2,092**	**6,836**	**12**	**9**

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

Amounts Receivable

	March 31, 2024	December 31, 2023	% change
Amounts receivable	**35,393**	28,156	25.7%

Genesis generally receives non-refundable deposits ranging from 5% to 20% at the time of entering into a sale agreement for residential lots with a third party builder. Amounts receivable are recognized on receipt of a minimum 15% non-refundable deposit and after agreed-to-services pertaining to the property have been substantially performed. 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 $7,237 in amounts receivable was mainly due to higher lot sales to third party builders. As at Q1 2024, Genesis had $33,433 (243 lots) in amounts receivable related to third party builders compared to $26,623 (191 lots) in amounts receivable as at YE 2023.

Individual balances due from third party builders at Q1 2024 that were 10% or more of total amounts receivable were $33,433 from two third party builders (YE 2023 - $26,623 from two third party builders).

Vendor-take-back ("VTB") Mortgage Receivable

	March 31, 2024	December 31, 2023	% change
Vendor-take-back mortgage receivable	**-**	1,976	N/R (1)

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

During 2023, the Corporation closed the sale of a 2.91-acre parcel of development land for $3,929, comprised of cash consideration of $1,965 and the remainder as a VTB mortgage receivable of $1,964 bearing annual interest at the prime rate. The principal and interest on the VTB mortgage receivable totaling $2,006 was received in March 2024.

Cash Flows 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 March 31,	
	2024	**2023**
Cash flows from operating activities	**9,642**	8,034
Cash flows from operating activities per share - basic and diluted	**0.17**	0.14

The changes in cash flows from operating activities between Q1 2024 and Q1 2023 consist of the following:

	Three months ended March 31,		
Operating Activities - Inflows (Outflows)	**2024**	**2023**	**$ change**
Residential home sales	**56,182**	31,531	24,651
Sale of ownership interest in LLLP	**-**	11,760	(11,760)
Residential lot sales	**9,056**	3,004	6,052
Development land sales	**4,064**	-	4,064
Residential home construction	**(24,562)**	(25,285)	723
Land development	**(9,490)**	(4,634)	(4,856)
Lots and land acquisitions	**(15,967)**	(2,503)	(13,464)
Suppliers and employees	**(7,660)**	(4,755)	(2,905)
Income tax	**(2,586)**	(1,446)	(1,140)
Other	**605**	362	243
Total	**9,642**	8,034	1,608

The increases in cash inflows from the sale of residential homes by GBG are primarily related to increases in the volume of homes sold. Genesis sells residential lots to third party builders and typically receives deposits ranging from 5% to 20% of the purchase price from the builder. On receipt of a minimum 15% non-refundable deposit after agreed-to-services pertaining to the property have been substantially performed, Genesis recognizes all of the sales revenue. The balance of the purchase price is generally received in cash at the time of closing of the sale by the third party builder to a home buyer, which can be many months later, resulting in a timing difference between sales revenue recognition and the actual receipt of cash.

The year over year change in cash flows from operating activities is mainly due to higher cash inflows from residential homes, residential lots and development land sales. These were partially offset by higher cash outflows for land development activities and for lots and land acquisitions. In addition, higher income tax payments were made in Q1 2024 compared to Q1 2023.

LIABILITIES AND SHAREHOLDERS' EQUITY

The following table presents Genesis' liabilities and equity at Q1 2024 and YE 2023:

	March 31,		December 31,	
	2024	**% of total**	**2023**	**% of total**
Loan and credit facilities	**97,892**	**22%**	103,587	24%
Provision for future development costs	**23,938**	**5%**	20,569	5%
Customer deposits	**23,303**	**5%**	17,470	4%
Accounts payable and accrued liabilities	**20,026**	**5%**	22,579	5%
Accounts payable related to residential lot purchases	**23,804**	**5%**	32,319	7%
Lease liabilities	**920**	**0%**	712	0%
Income tax payable	**611**	**0%**	1,706	0%
Total liabilities	**190,494**	**42%**	198,942	45%
Non-controlling interest	**9,801**	**2%**	9,999	2%
Shareholders' equity	**238,052**	**56%**	231,142	53%
Total liabilities and equity	**438,347**	**100%**	440,083	100%

The ratio of total liabilities to equity is as follows:

	March 31, 2024	December 31, 2023
Total liabilities	**190,494**	198,942
Total equity	**247,853**	241,141
Total liabilities to equity [(1)]	**77%**	83%

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

Loan and Credit Facilities

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Corporate revolving line of credit	**10,152**	12,800	19,024	21,257	11,350
Demand land project servicing loans	**11,682**	12,729	11,552	10,156	11,682
Demand land project servicing loan - LLLP	**15,927**	13,455	4,179	-	-
Demand operating line - LLLP	**21,500**	21,500	21,336	20,931	20,554
Demand operating line - HLLP	**15,377**	15,098	-	-	-
Demand operating line for single-family homes and lots	**8,805**	13,664	11,110	8,575	6,732
VTB mortgage payable	**18,088**	18,088	-	-	-
	101,531	107,334	67,201	60,919	50,318
Unamortized portion of the discount on the VTB	**(2,707)**	(3,010)	-	-	-
Unamortized deferred fees on loan and credit facilities	**(932)**	(737)	(779)	(774)	(864)
Balance, end of period	**97,892**	103,587	66,422	60,145	49,454

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

	Three months ended March 31, 2024			Year ended December 31, 2023
	VTB mortgage payable [(1)]	Loan and credit facilities	Total	Total
Balance, beginning of year	15,078	89,246	**104,324**	65,710
Advances	-	3,890	**3,890**	100,975
Repayments	-	(9,972)	**(9,972)**	(59,450)
Interest expense	303	279	**582**	(2,911)
Balance, end of period	**15,381**	**83,443**	**98,824**	104,324

(1) Unamortized value of VTB at both periods $18,088

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

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

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

Corporate revolving line of credit

Genesis has a $50,000 corporate revolving line of credit with a major Canadian financial institution at an interest rate per annum of prime +1.65%. This is secured by specific dedicated lands and a general corporate charge on all assets of the Corporation. As at March 31, 2024, the amount drawn on this facility was $10,152 (YE 2023 - $12,800). In March 2024, the interest rate was reduced from prime + 1.90% previously and now matures on February 1, 2027.

Demand land project servicing loans

As at March 31, 2024, Genesis had land project servicing facilities with $11,682 drawn (YE 2023 - $12,729). Up to $7,400 is available to finance future development and servicing costs as land development activities progress. These facilities bear interest at prime +0.50% per annum, mature between November 28, 2024 and May 12, 2025 and are secured by agreements receivable, real estate held for development and sale, and a corporate guarantee.

Demand land project servicing loan for LLLP

LLLP has a demand land project servicing credit facility up to $35,428 with a major Canadian chartered bank at an interest rate per annum of prime +0.50%. This facility is secured by specific lands, and a Genesis corporate guarantee, and matures on July 31, 2026. As at March 31, 2024, the amount drawn on this facility was $15,927 (YE 2023 - $13,455).

Demand operating line for LLLP

LLLP has a demand operating credit facility of $21,500 with a major Canadian chartered bank at an interest rate per annum of prime +0.50%. This facility is secured by specific lands, and a Genesis corporate guarantee, and matures on October 27, 2025. As at March 31, 2024, the amount drawn on this facility was $21,500 (YE 2023 - $21,500).

Demand operating line for HLLP

HLLP has a demand operating credit facility up to $16,000 with a major Canadian chartered bank at an interest rate per annum of prime +0.25%. This facility is secured by specific lands, and a Genesis corporate guarantee, and matures on November 30, 2026. As at March 31, 2024, the amount drawn on this facility was $15,377 (YE 2023 - $15,098).

Demand operating line for single-family homes and lots

GBG has a demand operating line of $25,000 bearing interest at prime +0.75% per annum. This facility is secured by housing projects under development and a corporate guarantee. As at March 31, 2024, the amount drawn on this facility was $8,805 (YE 2023 - $13,664). The facility does not have a specified maturity date.

VTB mortgage payable

Genesis entered into a $18,088 VTB mortgage payable on the purchase of White Lands in southeast Calgary in December 2023. The VTB mortgage payable is secured by specific lands, has an interest rate of 0% per annum and is repayable in four equal annual installments of $4,522 each, commencing November 20, 2024 and ending November 20, 2027. As at March 31, 2024, the 0% VTB had an outstanding balance of $18,088 with an unamortized discount of $2,707 for a net amount of $15,381 (YE 2023 - $18,088 and $3,010 respectively for a net amount of $15,078).

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 Q1 2024 was $18,283 for the land division (YE 2023 - $15,899) and $5,655 for GBG (YE 2023 - $4,670). For additional details, see information provided under the heading "*Critical Accounting Estimates*" in this MD&A.

LIQUIDITY AND CAPITAL RESOURCES

Genesis had cash and cash equivalents of $39,230 and drawn loan and credit facilities of $97,892 at Q1 2024 compared to $37,546 and $103,587 respectively at YE 2023, resulting in net debt (refer to heading "*Non-GAAP Measures"* in this MD&A) of $58,662 at Q1 2024 compared to net debt of $66,041 at YE 2023. 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.

	March 31,	December 31,	
	2024	**2023**	**% change**
Cash and cash equivalents	**39,230**	37,546	4.5%
Corporate revolving line of credit	**9,401**	12,274	(23.4%)
Demand land project servicing and home building loans	**20,467**	26,367	(22.4%)
Demand land project servicing and operating line - LLLP	**37,323**	34,832	7.2%
Demand operating line - HLLP	**15,320**	15,036	1.9%
VTB mortgage payable, net of unamortized portion of the discount	**15,381**	15,078	2.0%
Total loan and credit facilities	**97,892**	103,587	(5.5%)
Net debt [1] [2]	**(58,662)**	(66,041)	(11.2%)

[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

	March 31,	December 31,	
Loan and credit facilities as a percentage of total assets [1]	**2024**	**2023**	**% change**
Corporate revolving line of credit	**2.1%**	2.8%	(25.0%)
Demand land project servicing and home building loans	**4.7%**	6.0%	(21.7%)
Demand land project servicing and operating line - LLLP	**8.5%**	7.9%	7.6%
Demand operating line - HLLP	**3.5%**	3.4%	2.9%
VTB mortgage payable, net of unamortized portion of the discount	**3.5%**	3.4%	2.9%
Loan and credit facilities to total assets	**22.3%**	23.5%	(5.1%)
Total liabilities to equity [2]	**76.9%**	82.5%	(6.8%)

[1] Calculated as each component of loan and credit facilities divided by total assets
[2] Calculated as total liabilities divided by total equity

	March 31,	December 31,	
Net debt [1] **as a percentage of total assets**	**2024**	**2023**	**% change**
Cash and cash equivalents	**39,230**	37,546	4.5%
Loan and credit facilities	**97,892**	103,587	(5.5%)
Net debt [1] [2]	**(58,662)**	(66,041)	(11.2%)
Net debt to total assets [3]	**(13.4%)**	(15.0%)	(10.7%)

[1] Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
[2] Calculated as the difference between cash and cash equivalents and total loan and credit facilities
[3] Calculated as net debt divided by total assets

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 March 31,	
	2024	**2023**
Interest incurred	**(1,675)**	(1,063)
Interest relating to VTB [(1)]	**(304)**	-
Financing fees amortized	**(103)**	(89)
Interest and financing fees capitalized	**627**	201
	(1,455)	(951)

[(1)] VTB related to White Lands. The VTB is to be paid in four equal annual installments of $4,522 each, commencing November 2024 and ending November 2027

Finance expenses were higher in Q1 2024 compared to Q1 2023 mainly due to higher interest rates and higher average loan balances. Interest and financing fees are recorded as a component of real estate held for development and sale.

The weighted average interest rate of loan agreements with various financial institutions was 7.82% (Q1 2023 - 7.55%) based on March 31, 2024 balances.

Income Tax Payable

The continuity in income tax payable is as follows:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of period	**1,706**	704
Provision for current income tax	**1,491**	4,334
Net payments	**(2,586)**	(3,332)
Balance, end of period	**611**	1,706

As at March 31, 2024, income tax payable is a result of tax on the current income, offset by payments made during the quarter.

Shareholders' Equity

As at May 7, 2024, the Corporation had 56,785,508 common shares issued and outstanding. The common shares of the Corporation are listed for trading on the Toronto Stock Exchange under the symbol "GDC".

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

	Three months ended March 31,	
	2024	**2023**
Number of shares purchased and cancelled	**16,800**	10,308
Total cost	**40**	23
Average price per share purchased	**2.36**	2.16
Shares cancelled as a % of common shares outstanding at beginning of period	**0.03%**	0.02%

During Q1 2024, the Corporation purchased and cancelled 16,800 common shares for $40 at an average cost of $2.36 per share (representing 0.03% of issued and outstanding shares at the beginning of period) compared to 10,308 common shares for $23 at an average cost of $2.16 per share (representing 0.02% of issued and outstanding shares at the beginning of period) in Q1 2023.

As of the date of this MD&A, there are 2,820,728 common shares remaining for purchase under the currently authorized NCIB.

Contractual Obligations and Debt Repayment

Contractual obligations (excluding accounts payable, accrued liabilities, income tax payable, customer deposits and provision for future development costs) at Q1 2024 were as follows:

	Loan and Credit Facilities (1)	Levies and Municipal Fees	Lot Purchase Contracts (2)	Land Purchase Contract (3)	Lease Obligations (4)	Total
Current	23,554	9,083	19,973	26,700	684	**79,994**
April 2025 to March 2026	27,478	5,617	29,074	-	502	**62,671**
April 2026 to March 2027	45,977	4,428	16,846	-	437	**67,688**
April 2027 and thereafter	4,522	-	218	-	73	**4,813**
Total	101,531	19,128	66,111	26,700	1,696	**215,166**

(1) Excludes deferred fees on loan and credit facilities and unamortized portion of the discount on the VTB
(2) Lot purchase contracts are from both third party-developers and from LLLP
(3) Includes $26,700 related to the purchase of approximately 160 acres of future residential development land in the southeast sector of the City of Calgary. The purchase is scheduled to close on January 31, 2025
(4) Includes variable operating costs

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

Lot purchase contracts are related to the purchase of lots from third-party developers and LLLP as part of GBG's operations. These contracts generally require an initial deposit with the balance of the contract price being paid at agreed future dates.

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

Genesis has certain lease agreements that are entered in the normal course of operations. Genesis' sublease for its head office signed in April 2020 expires in February 2027. The total payments over the remaining term of the office lease for base rent and parking is $519. In the event the office lease is terminated early, Genesis is liable to pay the landlord for the loss of its income for the unexpired portion of the lease, in addition to damages and other expenses incurred by the landlord, if any. Genesis also has other minor operating leases.

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

Current Contractual Obligations and Commitments

	March 31, 2024	December 31, 2023
Loan and credit facilities, excluding deferred fees on loan and credit facilities and unamortized portion of the discount on the VTB	**23,554**	26,916
Accounts payable and accrued liabilities	**20,026**	22,579
Accounts payable related to residential lot purchases	**20,149**	24,131
Total short-term liabilities	**63,729**	73,626
Levies and municipal fees	**9,083**	8,516
Lot purchase contracts	**19,973**	12,158
Land purchase contract	**26,700**	-
Lease obligations	**684**	585
	120,169	94,885

As at the end of Q1 2024, Genesis had obligations due within the next 12 months of $120,169 of which $23,554 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

Surety Bonds

Genesis has an ongoing requirement to provide surety bonds to municipalities as part of the sub-division plan registration process. These surety bonds indemnify the municipalities by enabling them to draw upon them if Genesis does not perform its contractual obligations. At Q1 2024, these amounted to approximately $7,909 (YE 2023 - $7,103).

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.

SUMMARY OF QUARTERLY RESULTS

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Revenues	**68,305**	71,602	41,173	53,188	37,349	54,157	43,610	22,211
Net earnings (1)	**6,950**	8,056	2,203	4,093	160	3,062	1,857	97
EPS (2)	**0.12**	0.15	0.04	0.07	0.00	0.05	0.04	0.00

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

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Dividends declared and paid	**-**	4,830	-	4,833	-	4,265	4,265	-
Dividends declared and paid - per share	**-**	0.085	-	0.085	-	0.075	0.075	-

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Residential lots sold to third parties (units)	**92**	42	1	45	30	84	54	2
Residential lots sold through GBG (units)	**31**	53	43	59	32	22	20	22
Total residential lots sold (units)	**123**	95	44	104	62	106	74	24

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Homes sold (units)	**85**	86	71	69	60	57	45	36

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Development land revenues	**-**	11,958	-	4,242	-	6,338	7,453	-

Cash flows from (used in) operating activities	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Amount	**9,642**	(13,501)	(9,922)	7,590	8,034	(1,686)	(2,737)	(12,891)
Per share - basic and diluted	**0.17**	(0.24)	(0.17)	0.13	0.14	(0.03)	(0.05)	(0.22)

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 Q1 2024, Genesis sold 92 residential lots to third party builders and 85 homes of which 31 homes were built on Genesis' lots. Revenues were lower in Q1 2024, compared to Q4 2023, due to no development land sales during the quarter, partially offset by higher residential lot sales to third parties and residential home sales. Q1 2024 included no write-down or reversal of write-down, while Q4 2023 included $700 related to reversal of write-downs previously taken. Gross margins in Q1 2024 were higher than in Q4 2023 with residential lots and residential home sales all contributing to this. In Q1 2024, there was no change in the fair value of the Corporation's investments in land development entities, while a gain of $1,106 was recorded in Q4 2023. General and administrative expenses and selling and marketing expenses were higher in Q1 2024 compared to Q4 2023. Income tax expenses were $2,261 in Q1 2024 compared to $2,246 in Q4 2023. As a result of these factors, net earnings were $6,950 in Q1 2024 compared to net earnings of $8,056 in Q4 2023.

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

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

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

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

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

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

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

SUBSEQUENT EVENTS

Subsequent to March 31, 2024, the following occurred:

On May 7, 2024, the Corporation declared a dividend of $0.095 per common share for a total of $5,395, payable on June 12, 2024, to shareholders of record on May 24, 2024.

SUMMARY OF ACCOUNTING CHANGES

The Corporation adopted no new IFRSs or interpretations as of January 1, 2024.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments and estimates that affect the reported amounts of revenues, expenses (including stock-based compensation), assets and liabilities, and the disclosure of contingent liabilities at the reporting date for the land development and the home building businesses. On an ongoing basis, management evaluates its judgments and estimates in relation to revenues, expenses, assets and liabilities. Management uses historical experience, third party appraisals and reports and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. There were no material changes made to the critical accounting estimates for Q1 2024 and Q1 2023. Refer to note 2(r) in the consolidated financial statements for the years ended December 31, 2023 and 2022 for additional information on judgments and estimates.

Provision for Future Development Costs

Changes in estimated future development costs, which are generally obtained from third party service providers, directly impact the amount recorded for the future development liability, cost of sales, gross margin and, in some cases, the value of real estate under development and held for sale. This liability is subject to uncertainty due to the long time frames involved, specifically in land development.

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

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

Valuation of Amounts Receivable

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

Investments in Land Development Entities

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer of the Corporation have designed Genesis' Disclosure Controls and Procedures ("DC&P") and Internal Control over Financial Reporting ("ICFR") and certified that Genesis' DC&P and ICFR were effective as at March 31, 2024.

There were no changes in the Corporation's ICFR during the three months ended March 31, 2024 that have materially affected or are reasonably likely to materially affect the Corporation's ICFR.

RISKS AND UNCERTAINTIES

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

In Q1 2024, the Alberta economy continued to grow driven by population gains, relative housing affordability and supportive commodity markets. This was somewhat offset by increasing home prices, high lending rates and continued inflationary pressures that weighed on demand. While overall demand increased in Q1 2024, given the volatile economy, it is not possible to reliably estimate the length and overall impact of these developments and the impact on the financial results and condition of the Corporation in future periods.

There may be additional risks that management may need to consider from time to time. For a more detailed discussion on the Corporation's risk factors, refer to Genesis' AIF for the year ended December 31, 2023 available on SEDAR+ at www.sedarplus.ca.

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.

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

The table below shows the calculation of net debt:

	March 31, 2024	**December 31, 2023**
Cash and cash equivalents	**39,230**	37,546
Loan and credit facilities	**97,892**	103,587
Net debt	**(58,662)**	(66,041)

OTHER

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

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 timing and approval of the conceptual scheme for the OMNI ASP, and timing of completion of an interchange to provide primary transportation access to these lands; • the anticipated number of housing units in the various communities upon completion; • the expected completion dates of various projects that GBG is currently engaged in, the timeline for pre-construction homes and anticipated lot yields for projects under development; • plans and strategies surrounding the acquisition of additional land; • commencement of the servicing phase and the construction phase of various communities and projects; • the financing of Genesis' business, including community and project phases, and expected increased leverage; • anticipated general economic and business conditions, including forecasted economic growth; • potential changes, if any, to the federal mortgage lending rules and other rules that may impact home ownership in Canada; • expectations for lot and home prices; • construction starts and completions; • future development costs; • anticipated expenditures on land development activities; • GBG's sales process and construction margins; • common share buybacks; • the payment of dividends; and • the ability to continue to renew or repay financial obligations and to meet liabilities as they become due.	• the impact of contractual arrangements and incurred obligations on future operations and liquidity; • local real estate conditions, including the development of properties in close proximity to Genesis' properties and the strength and growth of the Calgary economy; • the uncertainties of real estate development and acquisition activity; • fluctuations in interest and inflation rates; • the ability to access and raise capital and debt financing on favorable terms, or at all; • not realizing on the anticipated benefits from transactions or not realizing on such anticipated benefits within the expected time frame; • the cyclicality of the oil and gas industry; • changes in the Canadian / US dollar exchange rate; • labour matters; • product availability due to supply chain issues and (or) cost increases; • governmental laws and regulations; • general economic and financial conditions; • stock market volatility; and • other risks and factors described from time to time in the documents filed by Genesis with the securities regulators in Canada available at www.sedarplus.ca, 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.