GENESIS LAND DEVELOPMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 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 and six months ended June 30, 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 July 30, 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;
- Acquiring builder positions in third party communities; 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%. Although the pace of new home construction in Alberta has increased, relatively strong population growth continues to support the need for more housing. The Bank of Canada cut its overnight lending rate by 25 basis points during the quarter followed by an additional 25 basis points on July 24, 2024, however, interest rates continue to remain at elevated levels.

According to the Calgary Real Estate Board ("CREB"), residential home sales in the first six months of 2024 remained strong largely due to continued strong migration levels. Housing supply levels continue to be low compared to the demand, resulting in increasing benchmark prices.

Overall home sales in Calgary were 15,147 for the first six months of 2024, an increase of 6% from the same period in 2023. Although there was a slight increase from June 2023, home inventory listing levels remained low at 3,787. Months of supply at June 2024 remains at low levels as conditions continue to favor sellers. These persistently tight conditions contributed to an increase of approximately 9% in benchmark prices in Calgary relative to June 2023. Similar conditions exist in neighboring Airdrie, where Genesis has two active projects.

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

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 the first six months of 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 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.

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.

In Q2 2024, Genesis completed the sale of two development land parcels in the City of Calgary: a 4.55-acre parcel for cash consideration of $4,778 and a 144-acre non-core parcel for $850.

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 184 single-family lots are now fully serviced as of Q2 2024. Genesis commenced servicing the second phase of Lewiston 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 Q3 2024. GBG and three third parties will be the home builders in this phase;
- Huxley: Servicing of the first phase of this east Calgary community commenced in Q2 2024. This will add 259 single-family lots and is anticipated to be fully serviced by Q2 2025. GBG and two third parties (each with a 20% ownership interest) will be the home builders in this phase; and
- Bayview: Servicing of Phase 3 commenced in Q2 2024. This phase will add 133 single-family lots and a 1.89-acre commercial parcel and is anticipated to be fully serviced in Q4 2024. 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, six of which are third party communities.

During Q2 2024, Genesis closed the acquisition of 734 acres of development land located in southeast Calgary for $53,850. Total cash payments of $11,770 were made by the closing date with the remaining balance of $42,080 being in the form of a Vendor-take-back ("VTB") mortgage payable. Genesis also secured an option to purchase an additional 106 acres immediately south of these lands by paying $400. The option may be exercised between January 1, 2029 and December 31, 2037.

Genesis also closed the acquisition of 160 acres of development land located in southeast Calgary for $29,505.

In 2024, GBG has contracted the following regarding CMA lots from third party developers: acquire 266 lots, had outstanding contracts to purchase 588 lots as at June 30, 2024 and has 168 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 Q1 2023, Genesis closed a transaction to sell a 40% ownership stake in LLLP to two Calgary based third party home builders.

In Q2 2024, the Corporation entered into binding agreements to sell a 20% ownership stake in Huxley Lands Limited Partnership ("HLLP") to each of two Calgary based third party home builders for gross proceeds of $21,440. HLLP owns 161 acres of residential development land located in the Belvedere ASP on the east side of the City of Calgary. The purchasers have paid non-refundable deposits totalling $7,400 and contributed $1,000 towards working capital. The transactions are scheduled to close in Q4 2024.

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 six third party builders.

7) Increasing the Velocity of Homes Sold by GBG

In YTD 2024, GBG entered into 235 new home sales contracts compared to 156 new home sales contracts in YTD 2023. During Q2 2024, GBG entered into 122 new home sales contracts compared to 132 new home sales contracts in Q2 2023. As of June 30, 2024, Genesis had 290 outstanding new home orders, an increase of 25% compared to 232 as at June 30, 2023. To increase the velocity of homes sold, Genesis:

- acquires lots in 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 June 30, 2024, Genesis had $39,367 of cash and cash equivalents on hand (year-end ("YE") 2023 - $37,546), loan and credit facilities of $133,605 (YE 2023 - $103,587), real estate assets of $388,380 (YE 2023 - $342,791) and total assets of $502,984 (YE 2023 - $440,083). The ratio of loan and credit facilities to total assets was 27% as at June 30, 2024 compared to 24% as at December 31, 2023.

Return of Capital to Shareholders: On May 7, 2024, Genesis declared a dividend of $0.095 per share (for a total payment of $5,395), which was paid on June 12, 2024 to shareholders of record on May 24, 2024. Since 2014, when Genesis paid its first dividend, it has returned an aggregate of $81,726 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, higher volume of lot sales, and the continued strength of the CMA market. Despite higher interest rates and inflationary pressures impacting home affordability, home prices continue to move higher due to the low supply of homes for sale, combined with strong housing demand from high levels of migration.

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 June 30, (1) 2024	2023	Six months ended June 30, (2) 2024	2023
Key Financial Data				
Total revenues	**94,978**	53,188	**163,283**	90,537
Direct cost of sales	**(75,455)**	(41,745)	**(125,319)**	(71,905)
Gross margin	**19,523**	11,443	**37,964**	18,632
Gross margin (%)	**20.6%**	21.5%	**23.3%**	20.6%
Net earnings attributable to equity shareholders	**8,027**	4,093	**14,977**	4,253
Net earnings per share - basic and diluted	**0.14**	0.07	**0.26**	0.07
Key Operating Data				
Land Development				
Total residential lots sold (units)	**231**	104	**354**	166
Residential lot revenues (3)	**39,989**	15,480	**56,614**	25,350
Gross margin on residential lots sold	**2,925**	2,329	**8,122**	4,142
Gross margin on residential lots sold (%)	**7.3%**	15.0%	**14.3%**	16.3%
Average revenue per lot sold (excluding non-core lots)	**173**	149	**166**	153
Development land revenues	**5,466**	4,242	**5,466**	4,242
Home Building				
Homes sold (units)	**107**	69	**192**	129
Revenues (4)	**67,193**	42,093	**123,393**	73,968
Gross margin on homes sold	**16,223**	9,114	**29,467**	14,490
Gross margin on homes sold (%)	**24.1%**	21.7%	**23.9%**	19.6%
Average revenue per home sold	**628**	610	**643**	573
New home orders (units)	**122**	132	**235**	156
Outstanding new home orders at period end (units)			**290**	232

Key Balance Sheet Data	As at Jun. 30, 2024	As at Dec. 31, 2023 (5)
Cash and cash equivalents	**39,367**	37,546
Total assets	**502,984**	440,083
Loan and credit facilities	**133,605**	103,587
Total liabilities	**252,417**	198,942
Shareholders' equity	**240,684**	231,142
Total equity	**250,567**	241,141
Loan and credit facilities to total assets	**27%**	24%

(1) Three months ended June 30, 2024 and 2023 ("Q2 2024" and "Q2 2023", respectively)
(2) Six months ended June 30, 2024 and 2023 ("YTD 2024" and "YTD 2023")
(3) Includes other revenues and revenues of $10,796 for 60 lots in Q2 2024 and in YTD 2024 purchased by the Home Building division from LLLP ($Nil in Q2 2023 and YTD 2023). These amounts are eliminated on consolidation.
(4) Includes other revenues and revenues of $6,874 for 50 lots in Q2 2024 and $11,394 for 81 lots in YTD 2024 purchased by the Home Building division from the Land Development division ($8,627 and 59 in Q2 2023; $13,023 and 91 in YTD 2023) and sold with the home. These amounts are eliminated on consolidation.
(5) 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 192 homes (184 single-family and 8 townhouses) in YTD 2024 compared to 129 homes (124 single-family and 5 townhouses) in YTD 2023. In YTD 2024, Genesis sold 213 residential lots to third parties compared to 75 lots sold in YTD 2023. In YTD 2024, two parcels of development land were sold for $5,466 while a parcel of development land was sold for $4,242 in YTD 2023. The combination of these factors resulted in revenues of $163,283 in YTD 2024, compared to $90,537 in YTD 2023.

Genesis sold 107 homes (99 single-family and 8 townhouses) in Q2 2024 compared to 69 homes (64 single-family and 5 townhouses) in Q2 2023. Two parcels of development land were sold for $5,466 in Q2 2024 while a parcel of development land was sold for $4,242 in Q2 2023. Genesis sold 121 residential lots to third parties in Q2 2024 compared to 45 residential lots sold to third parties in Q2 2023. These sales resulted in total revenues of $94,978 in Q2 2024 compared to $53,188 in Q2 2023.

New home orders for the six months ended June 30, 2024 were 235 units compared to 156 units for the same period in 2023. The Corporation ended the second quarter of 2024 with 290 outstanding new home orders, compared to 232 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 YTD 2024 was $14,977 ($0.26 income per share - basic and diluted) compared to net income attributable to equity shareholders of $4,253 ($0.07 income per share - basic and diluted) in YTD 2023. Net income attributable to equity shareholders in Q2 2024 was $8,027 ($0.14 income per share - basic and diluted) compared to net income attributable to equity shareholders of $4,093 ($0.07 income per share - basic and diluted) in Q2 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 June 30,			Six months ended June 30,		
	2024	**2023**	**% change**	**2024**	**2023**	**% change**
Key Financial Data						
Residential lot revenues [1]	**39,989**	15,480	158.3%	**56,614**	25,350	123.3%
Development land revenues	**5,466**	4,242	28.9%	**5,466**	4,242	28.9%
Direct cost of sales	**(41,552)**	(17,393)	138.9%	**(52,980)**	(25,450)	108.2%
Gross margin	**3,903**	2,329	67.6%	**9,100**	4,142	119.7%
Gross margin (%)	**8.6%**	11.8%	(27.1%)	**14.7%**	14.0%	5.0%
Other expenses	**(3,765)**	(2,414)	56.0%	**(7,122)**	(5,205)	36.8%
Earnings (loss) before income taxes	**138**	(85)	N/R [2]	**1,978**	(1,063)	N/R [2]
Key Operating Data						
Residential lots sold to third parties	**121**	45	168.9%	**200**	75	166.7%
Residential lots sold through GBG - home building	**110**	59	86.4%	**141**	91	54.9%
Residential lots sold to third parties - non-core lots	**-**	-	-	**13**	-	N/R [2]
Total residential lots sold	**231**	104	122.1%	**354**	166	113.3%
Average revenue per lot sold (excluding non-core lots)	**173**	149	16.1%	**166**	153	8.5%

[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 June 30,			Six months ended June 30,		
	2024	**2023**	**% change**	**2024**	**2023**	**% change**
Residential lots						
Residential lot revenues [1]	**39,989**	15,480	158.3%	**56,614**	25,350	123.3%
Direct cost of sales	**(37,064)**	(13,151)	181.8%	**(48,492)**	(21,208)	128.6%
Gross margin	**2,925**	2,329	25.6%	**8,122**	4,142	96.1%
Gross margin (%)	**7.3%**	15.0%	(51.3%)	**14.3%**	16.3%	(12.3%)

[1] Includes residential lot sales to third parties, residential lot sales to GBG and other revenues

	Three months ended June 30,			Six months ended June 30,		
	2024	**2023**	**% change**	**2024**	**2023**	**% change**
Development land						
Development land revenues	**5,466**	4,242	28.9%	**5,466**	4,242	28.9%
Direct cost of sales	**(4,488)**	(4,242)	5.8%	**(4,488)**	(4,242)	5.8%
Gross margin	**978**	-	N/R [1]	**978**	-	N/R [1]
Gross margin (%)	**17.9%**	0.0%	N/R [1]	**17.9%**	0.0%	N/R [1]

[1] 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 usually occur when newly developed phases first become available for sale. Total residential lot sales revenues in YTD 2024 were $56,614 (354 lots) up from $25,350 (166 lots) in YTD 2023. In YTD 2024, 213 lots including 13 non-core lots ($100) were sold to third party builders compared to 75 lots sold to third party builders in YTD 2023. In YTD 2024, GBG sold 81 homes on Genesis lots, compared to 91 homes sold on Genesis lots in YTD 2023. In Q2 2024 and YTD 2024, 60 lots ($10,796) from LLLP were sold to GBG.

Total residential lot sales revenues in Q2 2024 were $39,989 (231 lots) up from $15,480 (104 lots) in Q2 2023. In Q2 2024, 121 lots were sold to third party builders compared to 45 lots sold to third party builders in Q2 2023. In Q2 2024, GBG sold 50 homes on Genesis lots, down 15% from 59 homes sold on Genesis lots in Q2 2023.

Two parcels of development land were sold for $5,466 in Q2 2024 and YTD 2024 while one parcel of development land was sold for $4,242 in Q2 2023 and YTD 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 14% in YTD 2024 compared to 16% in YTD 2023. Residential lots had a gross margin of 7% in Q2 2024 compared to 15% in Q2 2023. Gross margins were lower in both Q2 2024 and YTD 2024 compared to the same periods in 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.

Other expenses

	Three months ended June 30,			Six months ended June 30,		
	2024	**2023**	**% change**	**2024**	**2023**	**% change**
Other expenses						
General and administrative expense	**(2,276)**	(1,548)	47.0%	**(4,563)**	(3,348)	36.3%
Selling and marketing expense	**(358)**	(387)	(7.5%)	**(685)**	(896)	(23.5%)
Finance income	**492**	271	81.5%	**951**	595	59.8%
Finance expense	**(1,623)**	(750)	N/R (1)	**(2,825)**	(1,556)	81.6%
Total	**(3,765)**	(2,414)	56.0%	**(7,122)**	(5,205)	36.8%

(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 YTD 2024, other expenses totaled $7,122 or 37% higher than $5,205 incurred in YTD 2023. In Q2 2024, other expenses totaled $3,765 or 56% higher than $2,414 incurred in Q2 2023. Other expenses were higher in both Q2 2024 and YTD 2024 mainly due to higher net finance expenses and general and administrative expenses, specifically compensation and share-based compensation expenses. Higher compensation expenses are driven by inflation and a competitive labor market. These were partially offset by lower selling and marketing expenses. Net finance expenses were higher due to higher average loan balances in 2024 as compared to the same periods in 2023. General and administrative expenses in YTD 2024 included higher share-based compensation expenses of $1,031 compared to $204 in YTD 2023 resulting from an increase in DSUs issued at a higher average price as well as mark-to-market for DSUs issued in prior periods.

Home Building – Genesis Builders Group Inc. (GBG)

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

	Three months ended June 30,			Six months ended June 30,		
	2024	**2023**	**% change**	**2024**	**2023**	**% change**
Key Financial Data						
Revenues [(1)]	**67,193**	42,093	59.6%	**123,393**	73,968	66.8%
Direct cost of sales	**(50,970)**	(32,979)	54.6%	**(93,926)**	(59,478)	57.9%
Gross margin	**16,223**	9,114	78.0%	**29,467**	14,490	103.4%
Gross margin (%)	**24.1%**	21.7%	11.1%	**23.9%**	19.6%	21.9%
Other expenses	**(6,368)**	(4,102)	55.2%	**(12,439)**	(8,127)	53.1%
Earnings before income taxes	**9,855**	5,012	96.6%	**17,028**	6,363	167.6%
Key Operating Data						
Homes sold (units)	**107**	69	55.1%	**192**	129	48.8%
Average revenue per home sold	**628**	610	3.0%	**643**	573	12.2%
New home orders (units)	**122**	132	(7.6%)	**235**	156	50.6%
Outstanding new home orders at period end (units)				**290**	232	25.0%

[(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 $123,393 (192 units) in YTD 2024, 67% higher than YTD 2023 revenues of $73,968 (129 units). In addition, 235 homes were contracted for sale in YTD 2024, an increase of 51%, as compared to 156 in YTD 2023, resulting in 290 outstanding new home orders at the end of Q2 2024 as compared to 232 outstanding new home orders at the end of Q2 2023.

Revenues for single-family homes and townhouses were $67,193 (107 units) in Q2 2024, 60% higher than Q2 2023 revenues of $42,093 (69 units). In addition, 122 homes were contracted for sale in Q2 2024, as compared to 132 in Q2 2023.

Homes sold in YTD 2024 had an average price of $643 per home compared to $573 in YTD 2023. Homes sold in Q2 2024 had an average price of $628 per home compared to $610 per home in Q2 2023. Fluctuations in the average revenue per home sold are due to differences in product mix, community, and market conditions. During the first six months of 2024 and 2023, GBG's single-family homes product ranged in price from $402 to $1,267 depending on the location and the models being offered. Similarly, GBG's townhouse product ranged in price from $198 to $376 depending on the location and the models being offered. In YTD 2024, 184 single-family homes and 8 townhouses were sold compared to 124 single-family homes and 5 townhouses in YTD 2023. In Q2 2024, 99 single-family homes and 8 townhouses were sold compared to 64 single-family homes and 5 townhouses in Q2 2023.

In YTD 2024, 81 of the 192 homes sold were built on residential lots supplied by Genesis with lot revenues of $11,394 while in YTD 2023, 91 of the 129 homes sold were built on residential lots supplied by Genesis, with lot revenues of $13,023. 50 of the 107 homes sold in Q2 2024 were built on residential lots supplied by Genesis, with lot revenues of $6,874, while 59 of the 69 homes sold in Q2 2023 were built on residential lots supplied by Genesis, with lot revenues of $8,627.

In 2024, GBG has contracted the following regarding CMA lots from third party developers: acquire 266 lots, had outstanding contracts to purchase 588 lots as at June 30, 2024 and has 168 orders for homes to be built 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 Q2 2024, GBG had $81,362 of work in progress, of which $5,189 related to spec homes in progress (YE 2023 - $88,314 of work in progress, of which $11,197 related to spec homes in progress).

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

	Three months ended June 30,			Six months ended June 30,		
	2024	**2023**	**% change**	**2024**	**2023**	**% change**
Quick possession sales (units)	**21**	7	N/R [(1)]	**32**	7	N/R [(1)]
Pre-construction home sales (units)	**86**	62	38.7%	**160**	122	31.1%
Total home sales (units)	**107**	69	55.1%	**192**	129	48.8%

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

Gross margin

Genesis realized gross margin on home sales of 23.9% in YTD 2024 compared to 19.6% in YTD 2023 and a gross margin on home sales of 24.1% in Q2 2024 as compared to 21.7% in Q2 2023. Fluctuations in gross margin are due to changes in market conditions and differences in product and community mix. In YTD 2024, 184 single-family homes and 8 townhouses were sold compared to 124 single-family homes and 5 townhouses in YTD 2023. In Q2 2024, 99 single-family homes and 8 townhouses were sold compared to 64 single-family homes and 5 townhouses in Q2 2023.

Other expenses

	Three months ended June 30,			Six months ended June 30,		
	2024	**2023**	**% change**	**2024**	**2023**	**% change**
Other expenses						
General and administrative expense	**(3,490)**	(2,387)	46.2%	**(6,791)**	(4,910)	38.3%
Selling and marketing expense	**(2,790)**	(1,608)	73.5%	**(5,381)**	(2,975)	80.9%
Finance income	**67**	40	67.5%	**141**	50	N/R [(1)]
Finance expense	**(155)**	(147)	5.4%	**(408)**	(292)	39.7%
Total	**(6,368)**	(4,102)	55.2%	**(12,439)**	(8,127)	53.1%

[(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 YTD 2024, other expenses were $12,439, 53% higher than $8,127 incurred in YTD 2023. In Q2 2024, other expenses totaled $6,368, 55% higher than $4,102 in Q2 2023. Other expenses were higher in both Q2 and YTD 2024 due to higher general and administrative expense, selling and marketing expense (including sales commissions) and net finance expense. Higher general and administrative expenses included higher share-based compensation expenses from an increase in DSUs issued at a higher average price as well as mark-to-market for DSUs issued in prior periods. Higher compensation expenses are 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 in Q2 and YTD 2024 compared to the same period in 2023.

Real Estate Held for Development and Sale

	June 30, 2024	December 31, 2023	% change
Real estate held for development and sale	**388,380**	342,791	13.3%

Refer to note 3 in the condensed consolidated interim financial statements for the three and six months ended June 30, 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 increased by $45,589 as at Q2 2024 compared to YE 2023 mainly due to: (i) the acquisition of 894 acres of development land in southeast Calgary for $75,470; and (ii) land development and home building activities. These were partially offset by the sale of residential lots, homes and development land.

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 June 30, 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	26,536	17,919	44,455
Calgary NW - Sage Hill Crest	9,766	-	9,766
Calgary N - Lewiston (owned by LLLP, a controlled entity)	675	41,091	41,766
Calgary SE - Logan Landing	-	63,305	63,305
Calgary SE - Hotchkiss	-	29,957	29,957
Calgary E - Huxley (owned by HLLP, a controlled entity)	-	35,689	35,689
Calgary SE Land Holdings [2]	-	68,738	68,738
Rocky View County - North Conrich	-	6,900	6,900
Rocky View County - OMNI	-	5,540	5,540
Other lands [3] - non-core	-	902	902
Total land development	36,977	270,041	**307,018**
Home building construction work-in-progress			45,297
Third party lots			36,065
Total home building			**81,362**
Total real estate held for development and sale			**388,380**

[1] Land held for development comprises lands not yet subdivided into single-family lots or parcels
[2] Calgary SE Land Holdings comprise 460-acres of development land acquired in Q4 2023 and 734-acres of development land acquired in Q2 2024
[3] 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 June 30, 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	26,536	265	8	1	-
Calgary NW - Sage Hill Crest	9,766	16	-	-	1
Calgary N - Lewiston (owned by LLLP, a controlled entity)	675	4	-	-	-
Total	**36,977**	**285**	**8**	**1**	**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 June 30, 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	17,919	73	407	2	2
Calgary N - Lewiston (owned by LLLP, a controlled entity)	41,091	111	768	3	4
Calgary SE - Logan Landing	63,305	354	1,606	7	3
Calgary SE - Hotchkiss	29,957	160	1,184	3	-
Calgary E - Huxley (owned by HLLP, a controlled entity)	35,689	161	1,378	-	-
Calgary SE Land Holdings [2] [3]	68,738	1,194	-	-	-
Rocky View County - North Conrich [3]	6,900	425	-	-	-
Rocky View County - OMNI [3]	5,540	185	-	-	-
	269,139	2,663	5,343	15	9
Other lands - non-core	902	156	-	-	-
Total	**270,041**	**2,819**	**5,343**	**15**	**9**

(1) Land not yet subdivided into single-family and other lots or parcels
(2) Calgary SE Land Holdings comprise 460-acres of development land acquired in Q4 2023 and 734-acres of development land acquired in Q2 2024
(3) Lands are in early stage and the estimated equivalents are pending for regulatory approval process

Amounts Receivable

	June 30, 2024	December 31, 2023	% change
Amounts receivable	**37,908**	28,156	34.6%

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 and there have been no write-offs or allowance for doubtful accounts in 2024 or 2023.

The increase of $9,752 in amounts receivable was mainly due to higher lot sales to third party builders. As at Q2 2024, Genesis had $37,397 (261 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 Q2 2024 that were 10% or more of total amounts receivable were $37,397 from three third party builders (YE 2023 - $26,623 from two third party builders).

VTB Mortgage Receivable

	June 30, 2024	December 31, 2023	% change
Vendor-take-back mortgage receivable	**616**	1,976	(68.8%)

During the three and six months ended June 30, 2024, the Corporation closed the sale of a 144-acre parcel of non-core development land for $850, which comprised cash consideration of $80 and the remainder being a $770 four-year VTB mortgage receivable at 0% interest per annum. The VTB mortgage receivable is payable in four equal annual installments of approximately $193, commencing December 1, 2025 and ending December 1, 2028.

During 2023, the Corporation closed the sale of a 2.91-acre parcel of development land for $3,929, comprised of cash consideration and a VTB mortgage receivable 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 June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Cash flows from operating activities	**6,758**	7,590	**16,400**	15,624
Cash flows from operating activities per share - basic and diluted	**0.12**	0.13	**0.29**	0.27

The changes in cash flows from operating activities between Q2 2024 and Q2 2023 consist of the following:

	Three months ended June 30,		
Operating Activities - Inflows (Outflows)	**2024**	**2023**	**$ change**
Residential home sales	**68,990**	41,496	27,494
Proceeds from sale of ownership interest in Limited Partnerships	**8,400**	-	8,400
Residential lot sales	**20,338**	5,307	15,031
Development land sales	**4,858**	4,242	616
Residential home construction	**(36,005)**	(21,456)	(14,549)
Land development	**(7,776)**	(13,347)	5,571
Lots and land acquisitions	**(46,048)**	(2,349)	(43,699)
Suppliers and employees	**(5,280)**	(5,832)	552
Income tax	**(1,284)**	(726)	(558)
Other	**565**	255	310
Total	**6,758**	7,590	(832)

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

	Six months ended June 30,		
Operating Activities - Inflows (Outflows)	**2024**	**2023**	**$ change**
Residential home sales	**125,172**	73,027	52,145
Proceeds from sale of ownership interest in Limited Partnerships	**8,400**	11,760	(3,360)
Residential lot sales	**29,394**	8,311	21,083
Development land sales	**8,922**	4,242	4,680
Residential home construction	**(60,567)**	(46,741)	(13,826)
Land development	**(17,266)**	(17,981)	715
Lots and land acquisitions	**(62,015)**	(4,852)	(57,163)
Suppliers and employees	**(12,940)**	(10,587)	(2,353)
Income tax	**(3,870)**	(2,172)	(1,698)
Other	**1,170**	617	553
Total	**16,400**	15,624	776

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 home building activities and for lots and land acquisitions. In addition, higher income tax payments were made in YTD 2024 compared to YTD 2023.

LIABILITIES AND SHAREHOLDERS' EQUITY

The following table presents Genesis' liabilities and equity at Q2 2024 and YE 2023:

	June 30,		**December 31,**	
	2024	**% of total**	**2023**	**% of total**
Loan and credit facilities	**133,605**	**27%**	103,587	24%
Provision for future development costs	**29,095**	**6%**	20,569	5%
Customer deposits	**33,542**	**7%**	17,470	4%
Accounts payable and accrued liabilities	**25,519**	**5%**	22,579	5%
Accounts payable related to residential lot purchases	**27,371**	**5%**	32,319	7%
Lease liabilities	**984**	**0%**	712	0%
Income tax payable	**2,301**	**0%**	1,706	0%
Total liabilities	**252,417**	**50%**	198,942	45%
Non-controlling interest	**9,883**	**2%**	9,999	2%
Shareholders' equity	**240,684**	**48%**	231,142	53%
Total liabilities and equity	**502,984**	**100%**	440,083	100%

The ratio of total liabilities to equity is as follows:

	June 30, 2024	**December 31, 2023**
Total liabilities	**252,417**	198,942
Total equity	**250,567**	241,141
Total liabilities to equity (1)	**101%**	83%

(1) Calculated as total liabilities divided by total equity

Loan and Credit Facilities

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Corporate revolving line of credit	**26,798**	10,152	12,800	19,024	21,257
Demand land project servicing loans	**8,329**	11,682	12,729	11,552	10,156
Demand land project servicing loans - LLLP	**328**	15,927	13,455	4,179	-
Demand land project servicing loan - HLLP	**-**	-	-	-	-
Demand operating line - LLLP	**22,439**	21,500	21,500	21,336	20,931
Demand operating line - HLLP	**15,665**	15,377	15,098	-	-
Demand operating line for single-family homes and lots	**11,210**	8,805	13,664	11,110	8,575
VTB mortgages payable - Calgary SE Land Holdings	**60,168**	18,088	18,088	-	-
	144,937	101,531	107,334	67,201	60,919
Unamortized portions of the discount on the VTB mortgages payable	**(10,457)**	(2,707)	(3,010)	-	-
Unamortized deferred fees on loan and credit facilities	**(875)**	(932)	(737)	(779)	(774)
Balance, end of period	**133,605**	97,892	103,587	66,422	60,145

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

	Six months ended June 30, 2024			Year ended December 31, 2023
	VTB mortgages payable (1)	Loan and credit facilities	Total	Total
Balance, beginning of year	15,078	89,246	**104,324**	65,710
Advances	33,795	38,929	**72,724**	100,975
Repayments	-	(43,973)	**(43,973)**	(59,450)
Interest expense	838	567	**1,405**	(2,911)
Balance, end of period	**49,711**	**84,769**	**134,480**	104,324

(1) As at June 30, 2024 VTB mortgages payable above include $15,691 related to the 2023 purchase of 460-acres of development land (Dec. 31, 2023 - $15,078) and $34,020 relating to the 2024 purchase of 734-acres development land (Dec. 31, 2023 - $Nil) both in southeast Calgary

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 June 30, 2024, the amount drawn on this facility was $26,798 (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

Genesis has land project servicing facilities up to $15,729 with a major Canadian chartered bank at an interest rate per annum of prime +0.50% per annum. These facilities are secured by agreements receivable, real estate held for development and sale, and a corporate guarantee, and mature between November 28, 2024 and May 12, 2025. As at June 30, 2024, the amount drawn on these facilities was $8,329 drawn (YE 2023 - $12,729).

Demand land project servicing loans for LLLP

LLLP has a demand land project servicing facility up to $16,198 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 June 30, 2024, the amount drawn on this facility was $328 (YE 2023 - $13,455).

In Q2 2024, LLLP entered into another demand land project servicing facility up to $11,002 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 June 12, 2027. As at June 30, 2024, the amount drawn on this facility was $Nil.

Demand land project servicing loan for HLLP

In Q2 2024, HLLP entered into a demand land project servicing facility up to $52,135 with a major Canadian chartered bank bearing per annum interest at the prime rate. This facility is secured by specific lands, and a Genesis corporate guarantee. This facility matures 36 months from the date of initial drawdown. There have been no drawdowns to date.

Demand operating line for LLLP

LLLP has a demand operating credit facility of $24,500 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 June 30, 2024, the amount drawn on this facility was $22,439 (YE 2023 - $21,500). In Q2 2024, the facility limit was increased to $24,500 from $21,500.

Demand operating line for HLLP

HLLP has a demand operating credit facility up to $17,000 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 June 30, 2024, the amount drawn on this facility was $15,665 (YE 2023 - $15,098). In Q2 2024, the facility limit was increased to $17,000 from $16,000.

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 June 30, 2024, the amount drawn on this facility was $11,210 (YE 2023 - $13,664). The facility does not have a specified maturity date.

VTB mortgages payable

Genesis entered into a $18,088 VTB mortgage payable on the purchase of 460-acres of development land 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 June 30, 2024, the VTB mortgage payable had an outstanding balance of $18,088 with an unamortized discount of $2,397 for a net amount of $15,691 (YE 2023 - $18,088 and $3,010 respectively for a net amount of $15,078).

During Q2 2024, Genesis entered into a $42,080 VTB mortgage payable on the purchase of 734-acres of development land in southeast Calgary. The VTB mortgage payable is secured by specific lands, has an interest rate of 0% per annum and is repayable in four annual installments of $7,000, $8,000, $13,680 and $13,400 respectively, commencing June 19, 2025 and ending June 19, 2028. As at June 30, 2024, the VTB mortgage payable had an outstanding balance of $42,080 with an unamortized discount of $8,060 for a net amount of $34,020.

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 Q2 2024 was $22,937 for the land division (YE 2023 - $15,899) and $6,158 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 $39,367 and drawn loan and credit facilities of $133,605 as at Q2 2024 compared to $37,546 and $103,587 respectively as at YE 2023, resulting in net debt (refer to heading "*Non-GAAP Measures"* in this MD&A) of $94,238 as at Q2 2024 compared to net debt of $66,041 as 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.

	June 30, 2024	**December 31, 2023**	**% change**
Cash and cash equivalents	**39,367**	37,546	4.9%
Corporate revolving line of credit	**26,121**	12,274	N/R (1)
Demand land project servicing and home building loans	**19,525**	26,367	(25.9%)
Demand land project servicing and operating line - LLLP	**22,634**	34,832	(35.0%)
Demand land project servicing and operating line - HLLP	**15,614**	15,036	3.8%
VTB mortgages payable, net of unamortized portions of the discount	**49,711**	15,078	N/R (1)
Total loan and credit facilities	**133,605**	103,587	29.0%
Net debt (2) (3)	**(94,238)**	(66,041)	42.7%

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

Loan and credit facilities as a percentage of total assets [1]	June 30, 2024	December 31, 2023	% change
Corporate revolving line of credit	**5.2%**	2.8%	85.7%
Demand land project servicing and home building loans	**3.9%**	6.0%	(35.0%)
Demand land project servicing and operating line - LLLP	**4.5%**	7.9%	(43.0%)
Demand land project servicing and operating line - HLLP	**3.1%**	3.4%	(8.8%)
VTB mortgages payable, net of unamortized portions of the discount	**9.9%**	3.4%	N/R [2]
Loan and credit facilities to total assets	**26.6%**	23.5%	13.2%
Total liabilities to equity [3]	**100.7%**	82.5%	22.1%

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

Net debt [1] as a percentage of total assets	June 30, 2024	December 31, 2023	% change
Cash and cash equivalents	**39,367**	37,546	4.9%
Loan and credit facilities	**133,605**	103,587	29.0%
Net debt [1] [2]	**(94,238)**	(66,041)	42.7%
Net debt to total assets [3]	**(18.7%)**	(15.0%)	24.7%

[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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Interest incurred	**(1,569)**	(975)	**(3,244)**	(2,038)
Interest relating to VTB mortgages payable	**(535)**	-	**(839)**	-
Financing fees amortized	**(106)**	(91)	**(209)**	(180)
Interest and financing fees capitalized	**432**	169	**1,059**	370
	(1,778)	(897)	**(3,233)**	(1,848)

Finance expenses were higher in Q2 2024 and YTD 2024 compared to the same periods in 2023 mainly due to 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 7.80% (Q2 2023 - 7.97%) based on June 30, 2024 balances.

Income Tax Payable

The continuity in income tax payable is as follows:

	Six months ended June 30, 2024	Year ended December 31, 2023
Balance, beginning of period	**1,706**	704
Provision for current income tax	**4,465**	4,334
Net payments	**(3,870)**	(3,332)
Balance, end of period	**2,301**	1,706

As at June 30, 2024, income tax payable is a result of tax on the current income, offset by payments made during the year.

Shareholders' Equity

As at July 30, 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 June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Number of shares purchased and cancelled	**-**	354	**16,800**	10,662
Total cost	**-**	-	**40**	23
Average price per share purchased	**-**	2.07	**2.36**	2.16
Shares cancelled as a % of common shares outstanding at beginning of period	**-**	0.00%	**0.03%**	0.02%

During YTD 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 10,662 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 YTD 2023.

The Corporation did not repurchase any common shares between July 1, 2024 and July 30, 2024 for cancellation under the NCIB. 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 Q2 2024 were as follows:

	Loan and Credit Facilities (1)	Levies and Municipal Fees	Lot Purchase Contracts (2)	Investment in Land Development Entity (3)	Lease Obligations (4)	Total
Current	31,061	11,491	17,387	6,556	757	**67,252**
July 2025 to June 2026	34,961	7,940	37,484	-	549	**80,934**
July 2026 to June 2027	60,993	7,020	18,486	-	333	**86,832**
July 2027 and thereafter	17,922	-	343	-	59	**18,324**
Total	144,937	26,451	73,700	6,556	1,698	**253,342**

(1) Excludes deferred fees on loan and credit facilities and unamortized portions of the discount on the VTB mortgages payable
(2) Lot purchase contracts are from both third party-developers and from LLLP
(3) Includes $6,556 related to investment in a land development entity to acquire a 15% interest in a joint venture. The transaction is scheduled to close on December 16, 2024
(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.

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 $475. 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

	June 30, 2024	December 31, 2023
Loan and credit facilities, excluding deferred fees on loan and credit facilities and unamortized portions of the discount on the VTB mortgages payable	**31,061**	26,916
Accounts payable and accrued liabilities	**25,519**	22,579
Accounts payable related to residential lot purchases	**22,956**	24,131
Total short-term liabilities	**79,536**	73,626
Levies and municipal fees	**11,491**	8,516
Lot purchase contracts	**17,387**	12,158
Lease obligations	**757**	585
Investment in land development entity	**6,556**	-
	115,727	94,885

As at the end of Q2 2024, Genesis had obligations due within the next 12 months of $115,727 of which $31,061 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 Q2 2024, these amounted to approximately $9,470 (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

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Revenues	**94,978**	68,305	71,602	41,173	53,188	37,349	54,157	43,610
Net earnings (1)	**8,027**	6,950	8,056	2,203	4,093	160	3,062	1,857
EPS (2)	**0.14**	0.12	0.15	0.04	0.07	0.00	0.05	0.04

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

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Dividends declared and paid	**5,395**	-	4,830	-	4,833	-	4,265	4,265
Dividends declared and paid - per share	**0.095**	-	0.085	-	0.085	-	0.075	0.075

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Residential lots sold to third parties (units)	**121**	92	42	1	45	30	84	54
Residential lots sold through GBG (units)	**110**	31	53	43	59	32	22	20
Total residential lots sold (units)	**231**	123	95	44	104	62	106	74

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Homes sold (units)	**107**	85	86	71	69	60	57	45

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Development land revenues	**5,466**	-	11,958	-	4,242	-	6,338	7,453

Cash flows from (used in) operating activities	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Amount	**6,758**	9,642	(13,501)	(9,922)	7,590	8,034	(1,686)	(2,737)
Per share - basic and diluted	**0.12**	0.17	(0.24)	(0.17)	0.13	0.14	(0.03)	(0.05)

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 Q2 2024, Genesis sold 121 residential lots to third party builders and 107 homes of which 50 homes were built on Genesis' lots. Revenues were higher in Q2 2024, compared to Q1 2024, due to higher residential home sales, residential lot sales to third parties and development land sales during the quarter. Gross margins in Q2 2024 were higher than in Q1 2024 with residential home and development land sales all contributing to this. General and administrative expenses, selling and marketing expenses and net finance expenses were marginally higher in Q2 2024 compared to Q1 2024. Income tax expenses were $1,281 in Q2 2024 compared to $2,261 in Q1 2024. As a result of these factors, net earnings were $8,027 in Q2 2024 compared to net earnings of $6,950 in Q1 2024.

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.

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, 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 Q2 2024 and Q2 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 June 30, 2024.

There were no changes in the Corporation's ICFR during the three months ended June 30, 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 Q2 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 Q2 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:

	June 30, 2024	**December 31, 2023**
Cash and cash equivalents	**39,367**	37,546
Loan and credit facilities	**133,605**	103,587
Net debt	**(94,238)**	(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.