



**GENESIS LAND DEVELOPMENT CORP.**

---

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2021 and 2020  
(Unaudited)

**THIRD QUARTER**

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

|                                           | Notes | September 30, 2021 | December 31, 2020 |
|-------------------------------------------|-------|--------------------|-------------------|
| <b>Assets</b>                             |       |                    |                   |
| Real estate held for development and sale | 3     | 210,475            | 193,309           |
| Amounts receivable                        | 9a    | 14,818             | 11,006            |
| Vendor-take-back mortgage receivable      |       | 2,719              | 2,719             |
| Investments in land development entities  |       | 5,608              | 5,608             |
| Other operating assets                    |       | 14,847             | 14,750            |
| Right-of-use assets                       |       | 708                | 712               |
| Deferred tax assets                       |       | 7,253              | 8,088             |
| Income tax recoverable                    |       | -                  | 559               |
| Cash and cash equivalents                 |       | 29,703             | 29,743            |
| <b>Total assets</b>                       |       | <b>286,131</b>     | <b>266,494</b>    |
| <b>Liabilities</b>                        |       |                    |                   |
| Loans and credit facilities               | 4     | 21,350             | 21,470            |
| Dividend payable                          | 6d    | -                  | 6,280             |
| Customer deposits                         |       | 7,485              | 3,889             |
| Accounts payable and accrued liabilities  | 3     | 31,138             | 14,092            |
| Lease liabilities                         |       | 874                | 790               |
| Income taxes payable                      |       | 1,217              | -                 |
| Provision for future development costs    | 5     | 18,482             | 20,213            |
| <b>Total liabilities</b>                  |       | <b>80,546</b>      | <b>66,734</b>     |
| Commitments and contingencies             | 8     |                    |                   |
| Subsequent events                         | 9a    |                    |                   |
| <b>Equity</b>                             |       |                    |                   |
| Share capital                             |       | 52,489             | 52,489            |
| Contributed surplus                       | 7c    | 1,037              | 868               |
| Retained earnings                         |       | 140,944            | 134,319           |
| <b>Shareholders' equity</b>               |       | <b>194,470</b>     | <b>187,676</b>    |
| Non-controlling interest                  |       | 11,115             | 12,084            |
| <b>Total equity</b>                       |       | <b>205,585</b>     | <b>199,760</b>    |
|                                           |       |                    |                   |
| <b>Total liabilities and equity</b>       |       | <b>286,131</b>     | <b>266,494</b>    |

See accompanying notes to the condensed consolidated interim financial statements.

**GENESIS LAND DEVELOPMENT CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(Unaudited)  
**For the three and nine months ended September 30, 2021 and 2020**  
*(In thousands of Canadian dollars except per share amounts)*

|                                                                                    |       | Three months ended<br>September 30, |              | Nine months ended<br>September 30, |               |
|------------------------------------------------------------------------------------|-------|-------------------------------------|--------------|------------------------------------|---------------|
|                                                                                    | Notes | 2021                                | 2020         | 2021                               | 2020          |
| <b>Revenues</b>                                                                    |       |                                     |              |                                    |               |
| Sales revenue                                                                      |       | 34,986                              | 29,738       | 83,198                             | 83,643        |
| Other revenue                                                                      |       | 2                                   | 1            | 32                                 | 473           |
|                                                                                    | 10    | 34,988                              | 29,739       | 83,230                             | 84,116        |
| Direct cost of sales                                                               |       | (28,088)                            | (21,444)     | (62,592)                           | (62,275)      |
| Reversal of write-down / (write-down) of real estate held for development and sale | 3     | 1,003                               | -            | 1,003                              | (10,815)      |
|                                                                                    |       | (27,085)                            | (21,444)     | (61,589)                           | (73,090)      |
| <b>Gross margin</b>                                                                |       | <b>7,903</b>                        | <b>8,295</b> | <b>21,641</b>                      | <b>11,026</b> |
| General and administrative                                                         |       | (3,212)                             | (2,274)      | (8,404)                            | (7,407)       |
| Selling and marketing                                                              |       | (1,267)                             | (1,167)      | (3,762)                            | (3,381)       |
|                                                                                    |       | (4,479)                             | (3,441)      | (12,166)                           | (10,788)      |
| Earnings from operations                                                           |       | 3,424                               | 4,854        | 9,475                              | 238           |
| Finance income                                                                     |       | 90                                  | 407          | 241                                | 1,198         |
| Finance expense                                                                    |       | (201)                               | (681)        | (898)                              | (2,058)       |
| Earnings (loss) before income taxes                                                |       | 3,313                               | 4,580        | 8,818                              | (622)         |
| Income tax (expense) recovery                                                      |       | (801)                               | (850)        | (2,149)                            | 543           |
| Net earnings (loss) being comprehensive earnings (loss)                            |       | 2,512                               | 3,730        | 6,669                              | (79)          |
| Attributable to non-controlling interest                                           |       | (103)                               | (83)         | 44                                 | (153)         |
| <b>Attributable to equity shareholders</b>                                         |       | <b>2,615</b>                        | <b>3,813</b> | <b>6,625</b>                       | <b>74</b>     |
| Net earnings per share - basic and diluted                                         |       | 0.06                                | 0.09         | 0.16                               | 0.00          |

See accompanying notes to the condensed consolidated interim financial statements.

**GENESIS LAND DEVELOPMENT CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited)  
**For the nine months ended September 30, 2021 and 2020**  
*(In thousands of Canadian dollars except number of shares)*

|                                                                         |       | Equity attributable to Corporation's shareholders |               |                        |                      |                         |                         |                |
|-------------------------------------------------------------------------|-------|---------------------------------------------------|---------------|------------------------|----------------------|-------------------------|-------------------------|----------------|
|                                                                         |       | Common shares - Issued                            |               |                        |                      | Total                   | Non-                    | Total          |
|                                                                         | Notes | Number of<br>Shares                               | Amount        | Contributed<br>Surplus | Retained<br>Earnings | Shareholders'<br>Equity | Controlling<br>Interest | Equity         |
| <b>At December 31, 2019</b>                                             |       | 42,159,927                                        | 52,867        | 603                    | 140,487              | 193,957                 | 18,938                  | 212,895        |
| Share-based payments                                                    | 7c    | -                                                 | -             | 211                    | -                    | 211                     | -                       | 211            |
| Normal course issuer bid                                                | 6c    | (189,610)                                         | (241)         | -                      | (49)                 | (290)                   | -                       | (290)          |
| Distributions                                                           | 11    | -                                                 | -             | -                      | -                    | -                       | (6,402)                 | (6,402)        |
| Net earnings (loss) being<br>comprehensive earnings<br>(loss) and other |       | -                                                 | -             | -                      | 74                   | 74                      | (195)                   | (121)          |
| <b>At September 30, 2020</b>                                            |       | 41,970,317                                        | 52,626        | 814                    | 140,512              | 193,952                 | 12,341                  | 206,293        |
| <b>At December 31, 2020</b>                                             |       | 41,863,335                                        | 52,489        | 868                    | 134,319              | 187,676                 | 12,084                  | 199,760        |
| Share-based payments                                                    | 7c    | -                                                 | -             | 169                    | -                    | 169                     | -                       | 169            |
| Distributions                                                           | 3, 11 | -                                                 | -             | -                      | -                    | -                       | (913)                   | (913)          |
| Net earnings (loss) being<br>comprehensive earnings<br>(loss) and other |       | -                                                 | -             | -                      | 6,625                | 6,625                   | (56)                    | 6,569          |
| <b>At September 30, 2021</b>                                            |       | <b>41,863,335</b>                                 | <b>52,489</b> | <b>1,037</b>           | <b>140,944</b>       | <b>194,470</b>          | <b>11,115</b>           | <b>205,585</b> |

See accompanying notes to the condensed consolidated interim financial statements.

**GENESIS LAND DEVELOPMENT CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited)  
**For the three and nine months ended September 30, 2021 and 2020**  
*(In thousands of Canadian dollars)*

|                                                       |       | Three months ended<br>September 30, |                | Nine months ended<br>September 30, |                |
|-------------------------------------------------------|-------|-------------------------------------|----------------|------------------------------------|----------------|
|                                                       | Notes | 2021                                | 2020           | 2021                               | 2020           |
| <b>Operating activities</b>                           |       |                                     |                |                                    |                |
| Receipts from residential lot sales                   |       | 3,572                               | 1,085          | 10,761                             | 4,784          |
| Receipts from development land sales                  |       | 4,945                               | 320            | 5,870                              | 6,763          |
| Receipts from residential home sales                  |       | 24,110                              | 25,241         | 68,704                             | 61,767         |
| Other cash receipts / (payments)                      |       | 46                                  | (118)          | 362                                | 69             |
| Paid for land development                             |       | (13,383)                            | (4,386)        | (22,591)                           | (12,163)       |
| Paid for lots / land acquisition                      |       | (739)                               | (1,458)        | (2,828)                            | (3,178)        |
| Paid for residential home construction                |       | (14,646)                            | (9,106)        | (40,648)                           | (24,715)       |
| Paid to suppliers and employees                       |       | (3,372)                             | (3,163)        | (11,619)                           | (9,809)        |
| Interest received                                     |       | 90                                  | 71             | 241                                | 200            |
| Income tax refunds                                    |       | 624                                 | 1,407          | 462                                | 1,407          |
| <b>Cash flows from operating activities</b>           |       | <b>1,247</b>                        | <b>9,893</b>   | <b>8,714</b>                       | <b>25,125</b>  |
| <b>Investing activities</b>                           |       |                                     |                |                                    |                |
| Acquisition of equipment                              |       | (404)                               | (448)          | (720)                              | (683)          |
| Change in restricted cash                             |       | -                                   | (20)           | 68                                 | (161)          |
| <b>Cash flows used in investing activities</b>        |       | <b>(404)</b>                        | <b>(468)</b>   | <b>(652)</b>                       | <b>(844)</b>   |
| <b>Financing activities</b>                           |       |                                     |                |                                    |                |
| Advances from loans and credit facilities             | 4     | 12,286                              | 2,950          | 38,415                             | 14,255         |
| Repayments of loans and credit facilities             |       | (8,947)                             | (4,851)        | (28,583)                           | (14,397)       |
| Payment on vendor-take-back mortgage payable          |       | -                                   | -              | (9,312)                            | (8,000)        |
| Interest and fees paid on loans and credit facilities |       | (225)                               | (341)          | (1,539)                            | (1,061)        |
| Distributions to unit holders of limited partnerships | 3     | -                                   | (317)          | (803)                              | (317)          |
| Dividends paid                                        | 6d    | -                                   | -              | (6,280)                            | -              |
| Repurchase and cancellation of shares under NCIB      | 6c    | -                                   | (136)          | -                                  | (290)          |
| <b>Cash flows from (used in) financing activities</b> |       | <b>3,114</b>                        | <b>(2,695)</b> | <b>(8,102)</b>                     | <b>(9,810)</b> |
| <b>Change in cash and cash equivalents</b>            |       | <b>3,957</b>                        | <b>6,730</b>   | <b>(40)</b>                        | <b>14,471</b>  |
| Cash and cash equivalents, beginning of period        |       | 25,746                              | 23,989         | 29,743                             | 16,248         |
| <b>Cash and cash equivalents, end of period</b>       |       | <b>29,703</b>                       | <b>30,719</b>  | <b>29,703</b>                      | <b>30,719</b>  |

See accompanying notes to the condensed consolidated interim financial statements.

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

(Unaudited)

**For the three and nine months ended September 30, 2021 and 2020**

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

**1. DESCRIPTION OF BUSINESS**

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

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

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

The Corporation has successfully adapted its operations to address the impact of COVID-19. All health and safety recommendations of regulatory authorities are being followed and, when feasible, exceeded. The Corporation remains cautious as there is continued uncertainty as to the extent and duration of the economic and regulatory implications of COVID-19.

The condensed consolidated interim financial statements of Genesis were approved for issuance by the Board of Directors on November 3, 2021.

**2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION**

The significant accounting policies, basis of measurement and use of judgements and estimates of the Corporation are the same as those applied in the Corporation's annual audited consolidated financial statements for the year ended December 31, 2020. These policies have been consistently applied to each of the periods presented, unless otherwise indicated.

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

The Statements have been prepared under the historical cost convention except for the financial assets classified as fair value through profit or loss and stock options and deferred share units that have been measured at fair value. The Statements are presented in Canadian dollars, which is the Corporation's functional currency, and all values are rounded to the nearest thousand, except per share values and where otherwise indicated.

These Statements do not include all of the information required for annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2020.

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

**For the three and nine months ended September 30, 2021 and 2020**

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

**3. REAL ESTATE HELD FOR DEVELOPMENT AND SALE**

|                                                                     | Lots, Multi-family & Commercial Parcels | Land Held for Development | Home Building | Total          | Limited Partnerships | Intra-segment Elimination | Consolidated Total |
|---------------------------------------------------------------------|-----------------------------------------|---------------------------|---------------|----------------|----------------------|---------------------------|--------------------|
| <b>Gross book value</b>                                             |                                         |                           |               |                |                      |                           |                    |
| As at December 31, 2020                                             | 48,699                                  | 141,812                   | 16,738        | 207,249        | 11,995               | (4,194)                   | 215,050            |
| Development activities                                              | 3,425                                   | 23,569                    | 31,703        | 58,697         | 254                  | -                         | 58,951             |
| Transfer                                                            | 20,811                                  | (20,811)                  | -             | -              | -                    | -                         | -                  |
| Acquisition                                                         | -                                       | -                         | 8,498         | 8,498          | -                    | -                         | 8,498              |
| Sold                                                                | (26,625)                                | -                         | (30,118)      | (56,743)       | (2,748)              | -                         | (59,491)           |
| As at September 30, 2021                                            | <b>46,310</b>                           | <b>144,570</b>            | <b>26,821</b> | <b>217,701</b> | <b>9,501</b>         | <b>(4,194)</b>            | <b>223,008</b>     |
| <b>Provision for write-downs</b>                                    |                                         |                           |               |                |                      |                           |                    |
| As at December 31, 2020                                             | 5,169                                   | 14,135                    | 548           | 19,852         | 1,889                | -                         | 21,741             |
| Sold                                                                | (5,840)                                 | -                         | (476)         | (6,316)        | (1,889)              | -                         | (8,205)            |
| Transfer                                                            | 5,855                                   | (5,855)                   | -             | -              | -                    | -                         | -                  |
| Reversal of write-down of real estate held for development and sale | -                                       | (1,003)                   | -             | (1,003)        | -                    | -                         | (1,003)            |
| As at September 30, 2021                                            | <b>5,184</b>                            | <b>7,277</b>              | <b>72</b>     | <b>12,533</b>  | <b>-</b>             | <b>-</b>                  | <b>12,533</b>      |
| <b>Net book value</b>                                               |                                         |                           |               |                |                      |                           |                    |
| As at December 31, 2020                                             | 43,530                                  | 127,677                   | 16,190        | 187,397        | 10,106               | (4,194)                   | 193,309            |
| As at September 30, 2021                                            | <b>41,126</b>                           | <b>137,293</b>            | <b>26,749</b> | <b>205,168</b> | <b>9,501</b>         | <b>(4,194)</b>            | <b>210,475</b>     |

During the three months ended March 31, 2021, the Corporation closed the sale of a 463.2-acre parcel of development land, located in British Columbia, belonging to a limited partnership for \$925. The limited partnership made a distribution of \$803 to its unit holders from the proceeds of this sale.

During the three and nine months ended September 30, 2021, the Corporation closed the sale of three parcels of land:

- a) a 4.27-acre parcel of development land in northwest Calgary for \$2,550;
- b) a 1.12-acre parcel of development land in northwest Calgary for \$1,445; and
- c) a 1.12-acre parcel of development land in northeast Calgary for \$950.

The Corporation entered into binding agreements to acquire 57 future residential development lots in the City of Calgary for \$8,498. The Corporation paid non-refundable deposits of \$1,730, with the balance of \$6,768 to be paid on closing, scheduled to be paid between December 2022 and April 2023. This amount is included in accounts payable and accrued liabilities as at September 30, 2021 (December 31, 2020 - \$Nil).

During the three and nine months ended September 30, 2021, interest of \$97 (2020 - \$Nil) was capitalized as a component of development activities.

During the three and nine months ended September 30, 2021, the Corporation recorded a reversal of a write-down of \$1,003 related to a write-down previously taken on land held for development and sale. The reversal of the write-down was taken to reflect the estimated returns realizable on completion of development and sale of these lands and was a result of lower costs to develop these lands.

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

**For the three and nine months ended September 30, 2021 and 2020**

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

**3. REAL ESTATE HELD FOR DEVELOPMENT AND SALE (continued)**

During the three and nine months ended September 30, 2020 the Corporation recorded write-downs of \$Nil and \$10,815 respectively.

A write-down of \$10,000 was taken based on the estimated returns realizable on completion of development and sale of on a parcel of land held for development. A write-down of \$815 relating to a townhouse project and was taken to reflect the estimated returns realizable on the sale of completed townhouse units and on the completion of construction and sale of units that are partially constructed.

**4. LOANS AND CREDIT FACILITIES**

|                                                                                                                                                                                                                                                                                                                                                                                                                                            | September 30,<br>2021 | December 31,<br>2020 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| <b>Secured by agreements receivable and real estate held for development and sale</b>                                                                                                                                                                                                                                                                                                                                                      |                       |                      |
| (a) Demand land project servicing loans from a major Canadian chartered bank, payable on collection of agreements receivable, bearing interest at prime +0.50% per annum, secured by real estate held for development and sale with a carrying value of \$11,528. One loan is due on March 16, 2024, and the second is due within 30 months of the initial drawdown. (No drawdown was made as of September 30, 2021).                      | 1,311                 | -                    |
| <b>Secured by real estate held for development and sale</b>                                                                                                                                                                                                                                                                                                                                                                                |                       |                      |
| (b) The VTB bearing interest at 5% per annum was entered into on September 13, 2019 in partial payment for the purchase of approximately 130 acres of future residential development land in north Calgary. The VTB is secured by these lands which have a carrying value of \$32,397. The VTB is repayable in two installments of approximately \$9,312 each in May 2021 and 2022. The first installment of \$9,312 was paid in May 2021. | 9,312                 | 18,624               |
| <b>Secured by specific dedicated lands and a general corporate charge on all assets of the Corporation</b>                                                                                                                                                                                                                                                                                                                                 |                       |                      |
| (c) Corporate revolving line of credit up to \$50,000 with a major Canadian financial institution at an interest rate per annum equal to the higher of prime +1.90% or 4.35%. The loan is due on February 1, 2024.                                                                                                                                                                                                                         | 9,537                 | -                    |
| <b>Secured by housing projects under development</b>                                                                                                                                                                                                                                                                                                                                                                                       |                       |                      |
| (d) Demand operating line of credit up to \$6,500 from a major Canadian chartered bank, bearing interest at prime +0.75% per annum, secured by a general security agreement over assets of the home building division.                                                                                                                                                                                                                     | 1,831                 | 1,662                |
| (e) Demand project specific townhouse construction loans from a major Canadian chartered bank, payable on collection of sale and closing proceeds, bearing interest at prime +0.90% per annum, secured by the project with a carrying value of \$2,740. One loan was closed in June 2021 and the other loan is due on August 28, 2022.                                                                                                     | -                     | 1,185                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>21,991</b>         | <b>21,471</b>        |
| Deferred fees on loans and credit facilities                                                                                                                                                                                                                                                                                                                                                                                               | (641)                 | (1)                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>21,350</b>         | <b>21,470</b>        |

The weighted average interest rate of loan agreements with financial institutions was 4.04% (December 31, 2020 - 3.26%) based on September 30, 2021 balances.

During the three and nine months ended September 30, 2021, the Corporation received advances of \$12,286 and \$38,415 (2020 - \$2,950 and \$14,255) relating to various loan facilities. These are secured by real estate held for development and sale, housing projects under development, specific dedicated lands and a general corporate charge on all assets of the Corporation. These loan facilities bear interest ranging from the prime +0.50% to the higher of prime +1.90% or 4.35% per annum, with due dates ranging from August 28, 2022 to March 16, 2024.



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

**For the three and nine months ended September 30, 2021 and 2020**

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

**4. LOANS AND CREDIT FACILITIES (continued)**

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

|                                       |        |
|---------------------------------------|--------|
| October 1, 2021 to September 30, 2022 | 11,143 |
| October 1, 2022 to September 30, 2023 | -      |
| October 1, 2023 to September 30, 2024 | 10,848 |
|                                       | 21,991 |

As at September 30, 2021 and at December 31, 2020, the Corporation and its subsidiaries were in compliance with all loan covenants.

**5. PROVISION FOR FUTURE DEVELOPMENT COSTS**

The movement in the provision for future development costs is as follows:

|                                 | <b>Land Development</b> | <b>Home Building</b> | <b>Total</b>  |
|---------------------------------|-------------------------|----------------------|---------------|
| As at December 31, 2020         | 18,737                  | 1,476                | 20,213        |
| Additions                       | 4,570                   | 8,476                | 13,046        |
| Changes to estimates            | 141                     | (131)                | 10            |
| Development activities          | (7,787)                 | (7,000)              | (14,787)      |
| <b>As at September 30, 2021</b> | <b>15,661</b>           | <b>2,821</b>         | <b>18,482</b> |

**6. SHARE CAPITAL**

**a) Authorized**

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value, none issued.

**b) Weighted average number of shares**

The following table sets forth the weighted average number of common shares outstanding for the three and nine months ended September 30, 2021 and 2020:

|                                               | <b>Three months ended<br/>September 30,</b> |             | <b>Nine months ended<br/>September 30,</b> |             |
|-----------------------------------------------|---------------------------------------------|-------------|--------------------------------------------|-------------|
|                                               | <b>2021</b>                                 | <b>2020</b> | <b>2021</b>                                | <b>2020</b> |
| Basic                                         | 41,863,335                                  | 42,043,271  | 41,863,335                                 | 42,092,909  |
| Effect of dilutive securities - stock options | -                                           | -           | -                                          | -           |
| Diluted                                       | 41,863,335                                  | 42,043,271  | 41,863,335                                 | 42,092,909  |

All 855,000 options outstanding as at September 30, 2021 (2020 - 2,535,000) were excluded in calculating diluted earnings per share for the three and nine months ended September 30, 2021 as their weighted average exercise price was higher than the average market price of the Corporation's shares during the periods.

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

**For the three and nine months ended September 30, 2021 and 2020**

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

**6. SHARE CAPITAL (continued)**

**c) Normal course issuer bid ("NCIB")**

The Corporation's NCIB expired on October 12, 2021. This NCIB allowed the Corporation to purchase for cancellation up to 2,098,885 common shares. The Corporation purchased a total of 89,952 common shares at an average price of \$1.69 per share under this NCIB.

The following table sets forth the number of common shares repurchased and cancelled during the three and nine months ended September 30, 2021 and 2020 under the NCIB.

|                                            | Three months ended<br>September 30, |         | Nine months ended<br>September 30, |         |
|--------------------------------------------|-------------------------------------|---------|------------------------------------|---------|
|                                            | 2021                                | 2020    | 2021                               | 2020    |
| Number of shares repurchased and cancelled | -                                   | 100,570 | -                                  | 189,610 |
| Reduction in share capital                 | -                                   | 128     | -                                  | 241     |
| Change in retained earnings                | -                                   | 8       | -                                  | 49      |
| Reduction in shareholders' equity          | -                                   | 136     | -                                  | 290     |
| Average purchase price per share           | -                                   | 1.35    | -                                  | 1.53    |

**d) Dividends paid**

Cash dividends of \$6,280 (\$0.15 per share), declared on December 9, 2020, were paid on January 11, 2021. No dividends were declared during the three and nine months ended September 30, 2021 and 2020.

**7. SHARE-BASED COMPENSATION**

**a) Stock Option Plan**

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

Details of stock options are as follows:

|                                                                | Nine months ended September 30, |                                       |                      |                                       |
|----------------------------------------------------------------|---------------------------------|---------------------------------------|----------------------|---------------------------------------|
|                                                                | 2021                            |                                       | 2020                 |                                       |
|                                                                | Number of<br>Options            | Weighted<br>Average<br>Exercise Price | Number of<br>Options | Weighted<br>Average<br>Exercise Price |
| Outstanding - beginning of period                              | 2,535,000                       | \$3.31                                | 2,535,000            | \$3.31                                |
| Options cancelled pursuant to revised long-term incentive plan | (1,680,000)                     | \$3.31                                | -                    | -                                     |
| Outstanding - end of period                                    | 855,000                         | \$3.31                                | 2,535,000            | \$3.31                                |
| Exercisable - end of period                                    | 540,000                         | \$3.35                                | 971,250              | \$3.37                                |

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

**For the three and nine months ended September 30, 2021 and 2020**

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

**7. SHARE-BASED COMPENSATION (continued)**

| Range of Exercise Prices (\$) | Outstanding                  |                                 | Exercisable                  |                                 | Weighted Average Remaining Contractual Life in Years |
|-------------------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|------------------------------------------------------|
|                               | Number at September 30, 2021 | Weighted Average Exercise Price | Number at September 30, 2021 | Weighted Average Exercise Price |                                                      |
| 3.12 - 3.48                   | 855,000                      | \$3.31                          | 540,000                      | \$3.35                          | 4.10                                                 |

No stock options were issued during the three and nine months ended September 30, 2021 (2020 - Nil).

**b) Deferred Share Unit Plan ("DSU")**

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

|                                   | Nine months ended September 30, |         |
|-----------------------------------|---------------------------------|---------|
|                                   | 2021                            | 2020    |
| Outstanding - beginning of period | 354,258                         | 70,941  |
| DSUs granted                      | 334,033                         | 98,897  |
| DSUs cancelled                    | (114,548)                       | -       |
| Outstanding - end of period       | 573,743                         | 169,838 |
| Vested - end of period            | 108,587                         | 17,734  |

The outstanding liability related to cash settled DSUs as at September 30, 2021 was \$950 (December 31, 2020 - \$537) and is recorded in accounts payable and accrued liabilities. DSUs are measured at fair value at each reporting period on a mark-to-market basis.

**c) Share-based compensation expense**

Share-based compensation was recorded and included as a part of general and administrative expense and is comprised of the following:

|                                                                     | Three months ended September 30, |      | Nine months ended September 30, |      |
|---------------------------------------------------------------------|----------------------------------|------|---------------------------------|------|
|                                                                     | 2021                             | 2020 | 2021                            | 2020 |
| Stock options                                                       | 12                               | 67   | 169                             | 211  |
| Deferred share units related to grants which are to be cash settled | 138                              | 46   | 413                             | 44   |
| Total share-based compensation expense                              | 150                              | 113  | 582                             | 255  |

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

(Unaudited)

**For the three and nine months ended September 30, 2021 and 2020**

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

**8. COMMITMENTS AND CONTINGENCIES**

- a) The Corporation has issued letters of credit and surety bonds pursuant to servicing agreements with municipalities to indemnify them in the event that the Corporation does not perform its contractual obligations. As at September 30, 2021, these amounted to \$9,275 (December 31, 2020 - \$3,666).
- b) The Corporation is committed to pay levies and municipal fees relating to signed municipal agreements on commencement of development of certain real estate assets with the following future payments:

|                                       |        |
|---------------------------------------|--------|
| October 1, 2021 to September 30, 2022 | 4,942  |
| October 1, 2022 to September 30, 2023 | 5,255  |
| October 1, 2023 to September 30, 2024 | 1,697  |
|                                       | 11,894 |

- c) The Corporation is named as a co-defendant in a Statement of Claim initiated by limited partners of LPLP 2007 and its affiliated RRSP limited partnerships. In the Statement of Claim the representative plaintiffs seek to have the action certified as a Class Proceeding pursuant to the applicable legislation. The claim has not yet been certified as a Class Proceeding and the plaintiffs are seeking damages of at least \$16,585. The parties have reached a conditional settlement and notice of this settlement has been sent to all limited partners in a form that has been approved by the Alberta Court of Queen's Bench. On November 16, 2021, the Corporation, along with all defendants, will seek court approval of the settlement. As at September 30, 2021 a provision of \$350 has been accrued towards the Corporation's cost for the settlement.
- d) The Corporation has contracted to acquire 182 residential lots in the City of Calgary for \$25,777 from third-party land developers. The Corporation has paid deposits totaling \$3,032 with the remainder being payable as follows:

|                                       |        |
|---------------------------------------|--------|
| October 1, 2021 to September 30, 2022 | 3,504  |
| October 1, 2022 to September 30, 2023 | 11,517 |
| October 1, 2023 to September 30, 2024 | 7,724  |
|                                       | 22,745 |

- e) During the nine months ended September 30, 2021, the Corporation entered into a binding agreement to acquire approximately 157 acres of future residential development land in the City of Calgary for \$29,150. The Corporation paid a non-refundable deposit of \$2,186, with the balance of \$26,964 to be paid on closing, currently scheduled for April 2022.

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

**For the three and nine months ended September 30, 2021 and 2020**

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

**9. FINANCIAL INSTRUMENTS**

The fair values of cash and cash equivalents, restricted cash, accounts payable and accrued liabilities approximate their carrying values as they are typically expected to be settled within twelve months. The fair value of deposits approximates their carrying value as the terms of deposits are comparable to the market terms for similar instruments.

The fair values of the Corporation's loans and credit facilities, amounts receivable and vendor-take-back mortgage receivable were estimated based on current market rates for loans of the same risk and maturities.

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

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

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

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

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

The Corporation's current financial assets are measured at amortized cost or fair value through profit and loss ("FVTPL"). The estimated fair value of financial assets and liabilities measured at FVTPL as at September 30, 2021 and December 31, 2020 are presented in the following table:

|                                          | Fair Value Hierarchy | Measurement Basis | Carrying Value       |                     | Fair Value           |                     |
|------------------------------------------|----------------------|-------------------|----------------------|---------------------|----------------------|---------------------|
|                                          |                      |                   | As at Sept. 30, 2021 | As at Dec. 31, 2020 | As at Sept. 30, 2021 | As at Dec. 31, 2020 |
| <b>Financial Assets</b>                  |                      |                   |                      |                     |                      |                     |
| Cash                                     | Level 1              | FVTPL             | 29,703               | 29,743              | 29,703               | 29,743              |
| Investments in land development entities | Level 3              | FVTPL             | 5,608                | 5,608               | 5,608                | 5,608               |
| Restricted cash <sup>(1)</sup>           | Level 1              | FVTPL             | 5,794                | 7,351               | 5,794                | 7,351               |

<sup>(1)</sup> Included in other operating assets.

During the three and nine months ended September 30, 2021 and 2020, no transfers were made between the levels in the fair value hierarchy.

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

(Unaudited)

**For the three and nine months ended September 30, 2021 and 2020**

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

**9. FINANCIAL INSTRUMENTS (continued)**

**a) Risks associated with financial instruments**

*(i) Credit risk*

The Corporation recognizes bad debt expense (or recovery) relating to amounts receivable on sold lots, net of the value of the related sold lots which are taken back into the Corporation's lot inventory on the termination of the relevant agreement. Termination could occur when the buyer fails to perform or observe terms of covenants of the relevant agreement. Agreements receivable for lot sales have various terms of repayment with purchasers generally having between 6 and 24 months to pay the balance owing for the purchased lots.

Recovery of bad debt expense is included in the Corporation's general and administrative expenses. In order to mitigate credit risk, the Corporation does not transfer title to sold residential lots until full payment is received. Individual balances due from customers as at September 30, 2021, which comprise greater than 10% of total amounts receivable, totaled \$14,345 from three customers (December 31, 2020 - \$10,235 from two customers).

Aging of amounts receivable was as follows:

|              | <b>September 30, 2021</b> | December 31, 2020 |
|--------------|---------------------------|-------------------|
| Not past due | <b>14,818</b>             | 11,006            |
|              | <b>14,818</b>             | 11,006            |

*(ii) Liquidity risk*

The contractual maturities of financial liabilities and other commitments as at September 30, 2021 were as follows:

|                                                                                         | <b>&lt;1 Year</b> | <b>&gt;1 Year</b> | <b>Total</b>   |
|-----------------------------------------------------------------------------------------|-------------------|-------------------|----------------|
| Financial liabilities                                                                   |                   |                   |                |
| Accounts payable and accrued liabilities                                                | 23,895            | 7,243             | 31,138         |
| Loans and credit facilities excl. deferred fees on loans and credit facilities (note 4) | 11,143            | 10,848            | 21,991         |
|                                                                                         | 35,038            | 18,091            | 53,129         |
| Commitments                                                                             |                   |                   |                |
| Lease obligations (including variable operating costs)                                  | 422               | 1,881             | 2,303          |
| Land and lot purchase contracts (note 8d and note 8e)                                   | 30,468            | 19,241            | 49,709         |
| Levies and municipal fees (note 8b)                                                     | 4,942             | 6,952             | 11,894         |
|                                                                                         | 35,832            | 28,074            | 63,906         |
|                                                                                         | <b>70,870</b>     | <b>46,165</b>     | <b>117,035</b> |

As at September 30, 2021, the Corporation had obligations due within the next 12 months of \$70,870 (December 31, 2020 - \$39,777). Based on the Corporation's operating history, its relationship with its lenders and committed sales contracts, management believes that the Corporation has the ability to continue to renew or repay its financial obligations as they come due. During the nine months ended September 30, 2021, the Corporation renewed and amended a loan (note 4a), put in place a land project loan facility of \$6,500 (note 4a) and a corporate revolving line of credit of \$50,000 (note 4c). Subsequent to September 30, 2021, the Corporation renewed a townhouse construction loan (note 4e).

*(iii) Market risk*

The Corporation is exposed to interest rate risk to the extent that certain agreements receivable and certain loans and credit facilities are at a floating rate of interest. A 1% change in interest rates would result in a change in interest incurred of approximately \$127 annually on floating rate loans.

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

(Unaudited)

**For the three and nine months ended September 30, 2021 and 2020***(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)***9. FINANCIAL INSTRUMENTS (continued)****b) Capital management**

The Corporation's policy is to maintain a sufficient capital base in order to retain investor, creditor and market confidence and to sustain future development of the business. The Corporation is in compliance with any externally imposed capital requirements.

The Corporation manages its capital structure and makes adjustments to it in light of changes in regional economic conditions and the risk characteristics of the underlying real estate industry within that region.

The Corporation considered its capital structure at the following dates to specifically include:

|                                      | <b>September 30, 2021</b> | December 31, 2020 |
|--------------------------------------|---------------------------|-------------------|
| Loans and credit facilities (note 4) | <b>21,350</b>             | 21,470            |
| Shareholders' equity                 | <b>194,470</b>            | 187,676           |
|                                      | <b>215,820</b>            | 209,146           |

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

**For the three and nine months ended September 30, 2021 and 2020**

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

**10. SEGMENTED INFORMATION**

The income producing business units of the Corporation reported the following activities for the three and nine months ended September 30, 2021 and 2020:

| Three months ended<br>September 30, 2021                            | Land Development Segment |       |                             |          | Home<br>Building<br>Segment | Intersegment<br>Elimination | Total           |
|---------------------------------------------------------------------|--------------------------|-------|-----------------------------|----------|-----------------------------|-----------------------------|-----------------|
|                                                                     | Genesis                  | LP    | Intrasegment<br>Elimination | Total    |                             |                             |                 |
| Revenues                                                            | 13,676                   | 1     | -                           | 13,677   | 24,095                      | (7,729)                     | <b>30,043</b>   |
| Revenues - development lands                                        | 4,945                    | -     | -                           | 4,945    | -                           | -                           | <b>4,945</b>    |
| Direct cost of sales                                                | (14,721)                 | -     | -                           | (14,721) | (21,096)                    | 7,729                       | <b>(28,088)</b> |
| Reversal of write-down of real estate held for development and sale | 1,003                    | -     | -                           | 1,003    | -                           | -                           | <b>1,003</b>    |
| Gross margin                                                        | 4,903                    | 1     | -                           | 4,904    | 2,999                       | -                           | <b>7,903</b>    |
| G&A, selling & marketing and net finance expense or income          | (2,077)                  | (104) | -                           | (2,181)  | (2,409)                     | -                           | <b>(4,590)</b>  |
| Earnings (loss) before income taxes and non-controlling interest    | 2,826                    | (103) | -                           | 2,723    | 590                         | -                           | <b>3,313</b>    |

| Three months ended<br>September 30, 2020                         | Land Development Segment |       |                             |         | Home<br>Building<br>Segment | Intersegment<br>Elimination | Total    |
|------------------------------------------------------------------|--------------------------|-------|-----------------------------|---------|-----------------------------|-----------------------------|----------|
|                                                                  | Genesis                  | LP    | Intrasegment<br>Elimination | Total   |                             |                             |          |
| Revenues                                                         | 13,925                   | 1     | -                           | 13,926  | 24,838                      | (9,345)                     | 29,419   |
| Revenues - development lands                                     | -                        | 320   | -                           | 320     | -                           | -                           | 320      |
| Direct cost of sales                                             | (8,426)                  | (338) | -                           | (8,764) | (22,025)                    | 9,345                       | (21,444) |
| Gross margin                                                     | 5,499                    | (17)  | -                           | 5,482   | 2,813                       | -                           | 8,295    |
| G&A, selling & marketing and net finance expense or income       | (1,666)                  | (66)  | -                           | (1,732) | (1,983)                     | -                           | (3,715)  |
| Earnings (loss) before income taxes and non-controlling interest | 3,833                    | (83)  | -                           | 3,750   | 830                         | -                           | 4,580    |



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

**For the three and nine months ended September 30, 2021 and 2020**

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

**10. SEGMENTED INFORMATION (continued)**

| Nine months ended<br>September 30, 2021                             | Land Development Segment |        |                             |          | Home<br>Building<br>Segment | Intersegment<br>Elimination | Total           |
|---------------------------------------------------------------------|--------------------------|--------|-----------------------------|----------|-----------------------------|-----------------------------|-----------------|
|                                                                     | Genesis                  | LP     | Intrasegment<br>Elimination | Total    |                             |                             |                 |
| Revenues                                                            | 32,660                   | 196    | (184)                       | 32,672   | 66,392                      | (21,704)                    | <b>77,360</b>   |
| Revenues - development lands                                        | 4,945                    | 925    | -                           | 5,870    | -                           | -                           | <b>5,870</b>    |
| Direct cost of sales                                                | (25,888)                 | (845)  | -                           | (26,733) | (57,563)                    | 21,704                      | <b>(62,592)</b> |
| Reversal of write-down of real estate held for development and sale | 1,003                    | -      | -                           | 1,003    | -                           | -                           | <b>1,003</b>    |
| Gross margin                                                        | 12,720                   | 276    | (184)                       | 12,812   | 8,829                       | -                           | <b>21,641</b>   |
| G&A, selling & marketing and net finance expense or income          | (5,632)                  | (232)  | 184                         | (5,680)  | (7,143)                     | -                           | <b>(12,823)</b> |
| Earnings before income taxes and non-controlling interest           | 7,088                    | 44     | -                           | 7,132    | 1,686                       | -                           | <b>8,818</b>    |
| Segmented assets as at September 30, 2021                           | 241,432                  | 13,958 | (6,714)                     | 248,676  | 36,758                      | 697                         | <b>286,131</b>  |
| Segmented liabilities as at September 30, 2021 <sup>(1), (2)</sup>  | 61,071                   | 2,869  | (2,520)                     | 61,420   | 18,429                      | 697                         | <b>80,546</b>   |
| Segmented net assets as at September 30, 2021 <sup>(1), (2)</sup>   | 180,361                  | 11,089 | (4,194)                     | 187,256  | 18,329                      | -                           | <b>205,585</b>  |

| Nine months ended<br>September 30, 2020                           | Land Development Segment |        |                             |          | Home<br>Building<br>Segment | Intersegment<br>Elimination | Total    |
|-------------------------------------------------------------------|--------------------------|--------|-----------------------------|----------|-----------------------------|-----------------------------|----------|
|                                                                   | Genesis                  | LP     | Intrasegment<br>Elimination | Total    |                             |                             |          |
| Revenues                                                          | 34,375                   | 42     | -                           | 34,417   | 62,827                      | (22,610)                    | 74,634   |
| Revenues - development lands                                      | 9,162                    | 320    | -                           | 9,482    | -                           | -                           | 9,482    |
| Direct cost of sales                                              | (29,585)                 | (338)  | -                           | (29,923) | (54,962)                    | 22,610                      | (62,275) |
| Write-down of real estate held for development and sale           | (10,000)                 | -      | -                           | (10,000) | (815)                       | -                           | (10,815) |
| Gross margin                                                      | 3,952                    | 24     | -                           | 3,976    | 7,050                       | -                           | 11,026   |
| G&A, selling & marketing and net finance expense or income        | (5,031)                  | (177)  | -                           | (5,208)  | (6,440)                     | -                           | (11,648) |
| (Loss) earnings before income taxes and non-controlling interest  | (1,079)                  | (153)  | -                           | (1,232)  | 610                         | -                           | (622)    |
| Segmented assets as at December 31, 2020                          | 232,166                  | 14,701 | (6,320)                     | 240,547  | 23,825                      | 2,122                       | 266,494  |
| Segmented liabilities as at December 31, 2020 <sup>(1), (2)</sup> | 57,181                   | 2,744  | (2,226)                     | 57,699   | 6,913                       | 2,122                       | 66,734   |
| Segmented net assets as at December 31, 2020 <sup>(1), (2)</sup>  | 174,985                  | 11,957 | (4,094)                     | 182,848  | 16,912                      | -                           | 199,760  |

<sup>(1)</sup> Segmented liabilities under the Genesis land development segment include \$2,662 due to the home building segment (December 31, 2020 - \$4,118 due from the land development segment to the home building segment).

<sup>(2)</sup> Segmented liabilities under the LP segment is comprised of accounts payable and accrued liabilities and includes \$2,520 (December 31, 2020 - \$2,226) due to Genesis.

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

**For the three and nine months ended September 30, 2021 and 2020**

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

**11. CONSOLIDATED ENTITIES**

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

The Corporation is a co-defendant in a statement of claim initiated by three limited partners of LPLP 2007 and its affiliated RRSP limited partnerships. The statement of claim is brought as a class action but has not yet been certified as such and is seeking damages of at least \$16,585. Any potential liability to the Corporation and/or the partnerships is indeterminate, and no provision has been made.

LPLP 2007 is a limited partnership controlled by the Corporation. In 2019 the Corporation completed a transaction with LPLP 2007, whereby the Corporation acquired the third-party, secured vendor-take-back mortgage receivable held by LPLP 2007. Consideration paid to LPLP 2007 included a cash payment of \$10,360 to LPLP 2007 by the Corporation, with the net proceeds were placed in the trust account of counsel to LPLP 2007 to be available for pro rata distribution its limited partners. Early in 2020 limited partners were given the option to receive their pro rata distribution of the amount held in trust, provided the limited partner signed a letter of transmittal in which the limited partner released LPLP 2007, Genesis and related entities from any liabilities in respect of the statement of claim described above. The offer to the limited partners expired on September 18, 2020. As at September 30, 2021, unitholders holding 25,619,829 (58.4%) limited partnership units submitted such transmittal letters, and \$6,092 of the available trust funds have been distributed. All remaining funds which are held in trust will be used by LPLP 2007 to fund its operations.