



GENESIS LAND DEVELOPMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and year ended December 31, 2024

The Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of operations of Genesis Land Development Corp. ("**Genesis**", "**the Corporation**", "**we**", "**us**", or "**our**") should be read in conjunction with the consolidated financial statements and the notes thereto for years ended December 31, 2024 and 2023, prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The consolidated financial statements and comparative information have been reviewed by the Corporation's audit committee, consisting of three independent directors, and approved by the board of directors of the Corporation. Additional information, including the Corporation's Annual Information Form ("**AIF**") is available on SEDAR+ at www.sedarplus.com.

All amounts are in thousands of Canadian dollars, except per share amounts or unless otherwise noted. This MD&A is dated as of March 5, 2025.

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
- Returning cash to shareholders by paying dividends and/or buying back its common shares.

Market Overview

The Royal Bank of Canada estimates that Alberta's 2025 GDP growth will remain relatively steady and remain amongst the highest in the country at 2.8%. Alberta's economy continues to be strong, supported by robust commodity markets and significant population growth. However, the pace of growth is expected to moderate in 2025 due to slowing migration and heightened economic uncertainty. Despite this, Alberta's affordability, business climate, and quality of life should sustain its attractiveness for interprovincial migrants, while lower interest rates may encourage consumer spending.

According to the Calgary Real Estate Board ("CREB"), residential home sales in 2024 remained strong with sales significantly higher than long-term trends. Home sales in Calgary were 26,985 for 2024, a year-over-year decrease of 2%. Sales in 2024 were slightly lower than 2023 as gains for higher-priced homes offset pullbacks in the lower price ranges caused by supply challenges. While conditions vary depending on price range and property type, more housing options have helped to take some of the pressure off home prices, which stabilized in the second half of the year. Total residential benchmark prices increased by over seven per cent compared to 2023. Similar conditions exist in neighbouring Airdrie, where Genesis has two active projects.

Genesis is closely monitoring the potential effects of tariffs between Canada and the United States. While the company has minimal direct exposure, with no exports and only limited imports from the United States, there remains significant uncertainty regarding the broader economic impacts on the CMA, Alberta, and Canada which could influence Genesis's land development and housing businesses. Genesis will continue to monitor the situation and take steps to mitigate any potential impacts on its operations.

2024 Business Plan

Progress on 2024 Business Plan

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

Growth also continues for GBG which is now building in twelve 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.

In Q2 2024 Genesis closed the acquisition of 160 acres of development land in Calgary's southeast quadrant in the South Shepard Area Structure Plan ("ASP"). An ASP was approved to support a new residential community on these lands by Calgary City Council in 2013. Outline Plan and Land Use Applications have been submitted to the City of Calgary with approvals anticipated in 2025. Site servicing is anticipated to commence in 2026.

In Rocky View County ("County"), Genesis has received an 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 2025. Genesis and the County have successfully worked with Alberta Transportation to finalize plans and funding arrangements for an interchange at Stoney and Airport Trail with construction planned to start in 2025. Funding is in place and the 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.

During 2024, Genesis completed the sale of four development land parcels in the CMA: a 4.55-acre parcel for cash consideration of \$4,778, a 7.24-acre parcel for cash consideration of \$9,500, a 1.89-acre parcel in the City of Airdrie for cash consideration of \$2,565 and a 144-acre non-core parcel for \$850.

3) Servicing Additional Phases

Servicing commenced in five communities:

- Lewiston: Servicing of the second phase in this north Calgary community commenced in Q2 2024. This phase was fully serviced in Q4 2024 and adds 133 single-family lots. GBG and two third parties (each with a 20% ownership interest) will be the home builders in this phase;
- Logan Landing: Servicing of the second phase in this southeast Calgary community commenced in Q4 2024 and will add 172 single-family lots and is anticipated to be fully serviced by Q3 2025. GBG and three third parties will be the home builders in this phase;
- Huxley: Servicing 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 Q3 2025. GBG and two third parties (each with a 20% ownership interest) will be the home builders in this phase;
- Bayview: Servicing of Phase 3 commenced in Q2 2024. This phase was fully serviced as of Q3 2024 and adds 133 single-family lots and a 1.89-acre commercial parcel. Genesis is in the process of negotiating to contract with GBG and two third parties as the home builders in this phase; and
- Bayside: Servicing of Phase 15 commenced in Q4 2024 and will add 81 single-family lots. Phase 15 is expected to be fully serviced by Q3 2025 with GBG and one third party builder as 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 twelve communities, eight of which are third party communities.

During 2024, GBG contracted to acquire 398 lots from third party developers. As of December 31, 2024, GBG had outstanding contracts to purchase 604 lots and had 169 orders to build homes on lots purchased from third party developers.

During Q2 2024, Genesis closed the acquisition of 734 acres of long-term 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.

During Q2 2024, Genesis also closed the acquisition of 160 acres of development land located in southeast Calgary for \$29,505.

During Q3 2024, Genesis acquired a 16.7% interest in a limited partnership for \$5,000 which is expected to commence development on 243 acres of land in southeast Calgary in 2029.

During Q4 2024, Genesis acquired 12.5% interest in a joint venture for \$8,670 which commenced development on 782 acres of land in east Airdrie in July 2024. Total cash payments of \$2,890 were made by the closing date with the remaining balance of \$5,780, being the form of a VTB mortgage payable.

During Q4 2024, Genesis acquired 15% interest in a joint venture for \$7,556 which is expected to commence development on 151 acres of land in east Calgary in 2025. Genesis has also contributed \$300 towards working capital.

5) Establishing 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 ASP. In Q1 2023, Genesis closed a transaction to sell a 40% ownership stake in LLLP to two Calgary based third party home builders.

Huxley Lands Limited Partnership ("HLLP") commenced with approximately 161 acres of residential development land, referred to as Huxley, located in the Belvedere ASP on the east side of the City of Calgary. In Q4 2024, Genesis closed the transaction to sell a 40% ownership stake to two Calgary based third party home builders for gross proceeds of \$21,440.

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 seven third party builders.

7) Increasing the Velocity of Homes Sold by GBG

In year-end ("YE") 2024, GBG entered into 419 new home sales contracts compared to 328 new home sales contracts in YE 2023. During Q4 2024, GBG entered into 107 new home sales contracts compared to 50 new home sales contracts in Q4 2023. As of December 31, 2024, Genesis had 265 outstanding new home orders compared to 247 as at December 31, 2023. To increase the velocity of homes sold, Genesis:

- acquires lots in communities from third party developers;
- adjusts pricing 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 December 31, 2024, Genesis had \$21,414 of cash and cash equivalents on hand (YE 2023 - \$37,546), loan and credit facilities of \$133,494 (YE 2023 - \$103,587), real estate assets of \$440,792 (YE 2023 - \$342,791) and total assets of \$577,718 (YE 2023 - \$440,083). The ratio of loan and credit facilities to total assets was 23% as at December 31, 2024 compared to 24% as at December 31, 2023.

Return of Capital to Shareholders: In 2024 Genesis declared and paid dividends of \$0.195 per share (\$11,074), with \$0.095 per share paid in Q2 2024 and \$0.10 per share in Q4 2024. Since 2014, when Genesis paid its first dividend, it has returned an aggregate of \$87,405 to shareholders by way of dividends and, through its Normal Course Issuers Bids ("NCIB"), bought back nearly 3.1 million common shares for an aggregate cost of \$8,973.

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 ongoing economic pressures on consumers, home prices continue to move higher due to the low supply of homes for sale, combined with strong housing demand from increasing population levels.

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 December 31, ⁽¹⁾		Year ended December 31, ⁽²⁾	
	2024	2023	2024	2023
Key Financial Data				
Total revenues	104,647	71,602	361,061	203,312
Direct cost of sales	(72,920)	(54,862)	(264,537)	(157,481)
Gross margin before reversal of write-down ⁽³⁾	31,727	16,740	96,524	45,831
Gross margin before reversal of write-down (%) ⁽³⁾	30.3%	23.4%	26.7%	22.5%
Gross margin	31,727	17,440	96,524	46,531
Net earnings attributable to equity shareholders	12,617	8,056	39,597	14,512
Net earnings per share - basic and diluted	0.22	0.15	0.70	0.26
Dividends declared and paid	5,679	4,830	11,074	9,663
Dividends declared and paid - per share	0.10	0.085	0.195	0.17
Key Operating Data				
Land Development				
Total residential lots sold (units)	157	95	726	305
Residential lot revenues ⁽⁴⁾	34,215	14,675	127,919	45,863
Gross margin before reversal of write-down ⁽³⁾	13,613	3,441	32,555	8,712
Gross margin before reversal of write-down (%) ⁽³⁾	39.8%	23.4%	25.4%	19.0%
Gross margin on residential lots sold	13,613	4,141	32,555	9,412
Average revenue per lot sold (excluding non-core lots)	218	154	179	150
Development land revenues	12,065	11,958	17,531	16,200
Home Building				
Homes sold (units)	107	86	401	286
Revenues ⁽⁵⁾	72,163	52,230	258,265	167,126
Gross margin on homes sold	18,834	12,603	64,314	36,423
Gross margin on homes sold (%)	26.1%	24.1%	24.9%	21.8%
Average revenue per home sold	674	607	644	584
New home orders (units)	107	50	419	328
Outstanding new home orders at period end (units)			265	247
Key Balance Sheet Data			As at Dec. 31, 2024 ⁽²⁾	As at Dec. 31, 2023 ⁽²⁾
Cash and cash equivalents			21,414	37,546
Total assets			577,718	440,083
Loan and credit facilities			133,494	103,587
Total liabilities			290,520	198,942
Shareholders' equity			266,480	231,142
Total equity			287,198	241,141
Loan and credit facilities to total assets			23%	24%

⁽¹⁾ Three months ended December 31, 2024 and 2023 ("Q4 2024" and "Q4 2023", respectively).

⁽²⁾ Year ended December 31, 2024 and 2023 ("YE 2024" and "YE 2023").

⁽³⁾ Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A. There was no reversal of write-down on real estate held for development and sale in Q4 2024 and YE 2024 (2023 - \$700).

⁽⁴⁾ Includes other revenues and revenues of \$10,219 for 44 lots in Q4 2024 and \$21,015 for 104 lots in YE 2024 purchased by the Home Building division from LLLP (\$Nil in Q4 2023 and YE 2023). These amounts are eliminated on consolidation.

⁽⁵⁾ Includes other revenues and revenues of \$3,577 for 24 lots in Q4 2024 and \$21,639 for 157 lots in YE 2024 purchased by the Home Building division from the Land Development division (\$7,261 and 53 in Q4 2023; \$25,877 and 187 in YE 2023) and sold with the home. These amounts are eliminated from residential lot revenues on consolidation.

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

Highlights:

- **\$361.1 Million of Revenues in YE 2024:** Genesis generated revenues of \$361.1 million in YE 2024 up from \$203.3 million achieved in YE 2023. Fourth quarter (“Q4”) 2024 revenues of \$104.6 million were higher when compared to \$71.6 million generated in Q4 2023.
- **\$39.6 Million of Net Earnings in YE 2024:** Net earnings attributable to equity shareholders in YE 2024 of \$39.6 million (\$0.70 net earnings per share - basic and diluted), compared to \$14.5 million (\$0.26 net earnings per share - basic and diluted) in YE 2023. Net earnings attributable to equity shareholders in Q4 2024 were \$12.6 million (\$0.22 net earnings per share - basic and diluted) compared to \$8.1 million (\$0.15 net earnings per share - basic and diluted) in Q4 2023.
- **726 Lots Sold:** In YE 2024, Genesis sold 726 residential lots, an increase of 138% from 305 lots in YE 2023. In Q4 2024, Genesis sold 157 residential lots compared to 95 lots in Q4 2023.
- **401 Homes Sold:** In YE 2024, Genesis sold a record 401 homes, an increase of 40% from the 286 sold in YE 2023. In Q4 2024, Genesis sold 107 homes, compared to 86 sold in Q4 2023.
- **419 New Home Orders:** During YE 2024, Genesis had 419 new home orders compared to 328 for YE 2023. During Q4 2024, Genesis had 107 new home orders compared to 50 in Q4 2023. Genesis had 265 outstanding new home orders on hand at December 31, 2024 (247 at December 31, 2023).
- **Dividends of \$0.195 per share in 2024:** Total cash dividends of \$11.1 million (\$0.195 per share) were paid during YE 2024 of which \$0.10 per share was declared and paid in Q4 2024. Total cash dividends of \$9.7 million (\$0.17 per share) were paid during YE 2023 of which \$0.085 per share was declared and paid in Q4 2023.
- **Land Servicing Activity:** In YE 2024, land servicing activity amounted to \$66.9 million compared to \$70.1million in YE 2023. Genesis is actively servicing five communities.
- **Investment in Additional Lands:** In YE 2024, Genesis closed the acquisitions of 894 acres of future residential development land in southeast Calgary for \$83.4 million.
- **Huxley Lands Limited Partnership:** During YE 2024, Genesis sold a 20% ownership stake in HLLP to each of two Calgary based third party builders. The transaction closed on December 13, 2024, for total proceeds of \$21.4 million, being \$15.4 million cash with the balance being the assumption of debt by the purchasers.

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, by phase and by 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 (Refer to “Location of Genesis’ Land Development Projects” in this MD&A on page 11)

	Three months ended December 31,			Year ended December 31,		
	2024	2023	% change	2024	2023	% change
Key Financial Data						
Residential lot revenues ⁽¹⁾	34,215	14,675	133.2%	127,919	45,863	178.9%
Development land revenues	12,065	11,958	0.9%	17,531	16,200	8.2%
Direct cost of sales	(29,479)	(22,496)	31.0%	(108,729)	(52,655)	106.5%
Gross margin before reversal of write-down ⁽²⁾	16,801	4,137	N/R ⁽³⁾	36,721	9,408	N/R ⁽³⁾
Gross margin before reversal of write-down (%) ⁽²⁾	36.3%	15.5%	134.2%	25.2%	15.2%	65.8%
Reversal of write-down of real estate held for development and sale	-	700	N/R ⁽³⁾	-	700	N/R ⁽³⁾
Gross margin	16,801	4,837	N/R ⁽³⁾	36,721	10,108	N/R ⁽³⁾
Gain in investments in land development entities	2,326	1,106	110.3%	2,326	1,106	110.3%
Other expenses	(5,211)	(3,384)	54.0%	(17,368)	(11,554)	50.3%
Earnings (loss) before income taxes	13,916	2,559	N/R ⁽³⁾	21,679	(340)	N/R ⁽³⁾
Key Operating Data						
Residential lots sold to third parties	89	42	111.9%	452	118	N/R ⁽³⁾
Residential lots sold through GBG	24	53	(54.7%)	157	187	(16.1%)
Residential lots sold to GBG by Partnerships ⁽⁴⁾	44	-	N/R ⁽³⁾	104	-	N/R ⁽³⁾
Residential lots sold to third parties - non-core lots	-	-	-	13	-	N/R ⁽³⁾
Total residential lots sold	157	95	65.3%	726	305	138.0%
Average revenue per lot sold (excluding non-core lots)	218	154	41.6%	179	150	19.3%

⁽¹⁾ Includes residential lot sales to third parties, residential lot sales to GBG and other revenues.

⁽²⁾ Non-GAAP financial measure. Refer to heading “Non-GAAP Measures” in this MD&A.

⁽³⁾ Not relevant due to the size of the change.

⁽⁴⁾ Refer to “Land Development Partnerships” paragraph under the heading “2024 Business Plan” in this MD&A.

Gross margin by source of revenue

	Three months ended December 31,			Year ended December 31,		
	2024	2023	% change	2024	2023	% change
Residential lots						
Residential lot revenues ⁽¹⁾	34,215	14,675	133.2%	127,919	45,863	178.9%
Direct cost of sales	(20,602)	(11,234)	83.4%	(95,364)	(37,151)	156.7%
Gross margin before reversal of write-down	13,613	3,441	N/R ⁽²⁾	32,555	8,712	N/R ⁽²⁾
Gross margin before reversal of write-down (%)	39.8%	23.4%	70.1%	25.4%	19.0%	33.7%
Reversal of write-down of real estate held for development and sale	-	700	N/R ⁽²⁾	-	700	N/R ⁽²⁾
Gross margin	13,613	4,141	N/R ⁽²⁾	32,555	9,412	N/R ⁽²⁾

⁽¹⁾ Includes residential lot sales to third parties, residential lot sales to GBG and other revenues.

⁽²⁾ Not relevant due to the size of the change.

	Three months ended December 31,			Year ended December 31,		
	2024	2023	% change	2024	2023	% change
Development land						
Development land revenues	12,065	11,958	0.9%	17,531	16,200	8.2%
Direct cost of sales	(8,877)	(11,262)	(21.2%)	(13,365)	(15,504)	(13.8%)
Gross margin	3,188	696	N/R ⁽¹⁾	4,166	696	N/R ⁽¹⁾
Gross margin (%)	26.4%	5.8%	N/R ⁽¹⁾	23.8%	4.3%	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 creating fluctuations in lot revenues and associated earnings. Total residential lot sales revenues in YE 2024 were \$127,919 (726 lots) up from \$45,863 (305 lots) in YE 2023. In YE 2024, 465 lots including 13 non-core lots (\$100) were sold to third party builders compared to 118 lots sold to third party builders in YE 2023. In YE 2024, 261 lots including 104 lots from Partnerships (\$21,015) were sold to GBG compared to 187 lots sold to GBG in YE 2023.

Total residential lot sales revenues in Q4 2024 were \$34,215 (157 lots) up from \$14,675 (95 lots) in Q4 2023. In Q4 2024, 89 lots were sold to third party builders compared to 42 lots sold to third party builders in Q4 2023. In Q4 2024, 68 lots including 44 lots from Partnerships (\$10,219) were sold to GBG compared to 53 lots sold to GBG in Q4 2023.

Four parcels of development land were sold for \$17,531 in YE 2024 while four parcels of development land were sold for \$16,200 in YE 2023. Two parcels of development land were sold for \$12,065 in Q4 2024 while three development land parcels were sold for \$11,958 in Q4 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 before reversal of write-down of 25% in YE 2024 compared to 19% in YE 2023. Residential lots had a gross margin before reversal of write-down of 40% in Q4 2024 compared to 23% in Q4 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.

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

During 2024, Genesis recorded \$Nil related to reversal of write-downs on real estate held for development and sale (2023 - \$700). The reversal of the write-down was taken to reflect the estimated returns realizable on completion of development and sale of these lands.

Gain in investments in land development entities

The fair value of investments in land development entities are based on the market value approach method which were obtained from external third-party appraisals. This method uses prices and other relevant information that have been generated by market transactions involving identical or comparable assets. During 2024, the Corporation recorded \$2,326 as a gain in investment in two previously acquired land development entities (2023 - \$1,106).

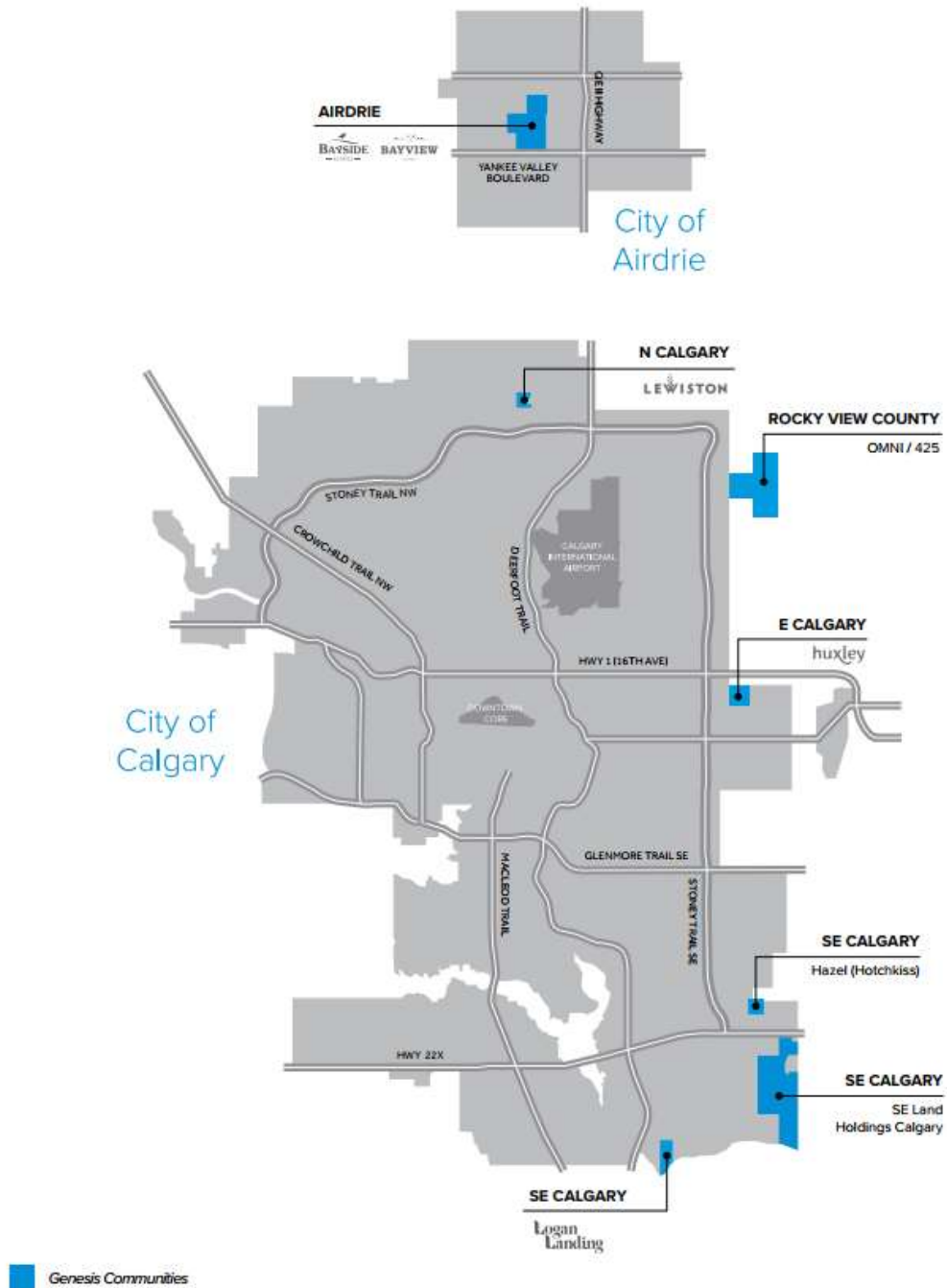
Other expenses

	Three months ended December 31,			Year ended December 31,		
	2024	2023	% change	2024	2023	% change
Other expenses						
General and administrative expense	(2,516)	(2,123)	18.5%	(9,628)	(7,567)	27.2%
Selling and marketing expense	(839)	(519)	61.7%	(2,034)	(1,798)	13.1%
Finance income	214	393	(45.5%)	1,418	1,406	0.9%
Finance expense	(2,070)	(1,135)	82.4%	(7,124)	(3,595)	98.2%
Total	(5,211)	(3,384)	54.0%	(17,368)	(11,554)	50.3%

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

In YE 2024, other expenses totaled \$17,368 or 50% higher than \$11,554 incurred in YE 2023. In Q4 2024, other expenses totaled \$5,211 or 54% higher than \$3,384 incurred in Q4 2023. Other expenses were higher in both Q4 2024 and YE 2024 mainly due to higher net finance expense and general and administrative expense, specifically compensation expenses in YE 2024. In YE 2024 compensation expenses were \$7,232 compared to \$5,188 driven by increases in staffing and salaries reflecting higher activity levels, a competitive labor market, share-based compensation expenses and performance unit plan expenses relating to long-term incentives for performance. Share-based compensation and performance unit plan expenses were a significant component of compensation expenses. In YE 2024 share-based compensation and performance unit plan expenses totaled \$2,352 compared to \$1,165 in YE 2023. The increase in stock-based compensation expenses was mainly due to mark-to-market increase for DSUs issued in prior periods. Net finance expenses were higher due to higher average loan balances in 2024 as compared to the same periods in 2023.

Location of Genesis' Land Development Projects



Home Building (Refer to “Location of GBG Building Communities” in this MD&A on page 14)

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

	Three months ended December 31,			Year ended December 31,		
	2024	2023	% change	2024	2023	% change
Key Financial Data						
Revenues ⁽¹⁾	72,163	52,230	38.2%	258,265	167,126	54.5%
Direct cost of sales	(53,329)	(39,627)	34.6%	(193,951)	(130,703)	48.4%
Gross margin	18,834	12,603	49.4%	64,314	36,423	76.6%
Gross margin (%)	26.1%	24.1%	8.3%	24.9%	21.8%	14.2%
Other expenses	(6,712)	(5,050)	32.9%	(25,636)	(17,858)	43.6%
Earnings before income taxes	12,122	7,553	60.5%	38,678	18,565	108.3%
Key Operating Data						
Homes sold in third party communities (units)	65	33	97.0%	226	99	128.3%
Homes sold in Genesis lots (units)	24	53	(54.7%)	157	187	(16.1%)
Homes sold in Partnerships lots (units)	18	-	N/R ⁽²⁾	18	-	N/R ⁽²⁾
Total homes sold (units)	107	86	24.4%	401	286	40.2%
Average revenue per home sold	674	607	11.0%	644	584	10.3%
New home orders (units)	107	50	114.0%	419	328	27.7%
Outstanding new home orders at period end (units)				265	247	7.3%

⁽¹⁾ Revenues include residential home sales and other revenue.

⁽²⁾ Not relevant due to the size of the change.

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

Revenues and unit volumes

Revenues for single-family homes and townhouses were \$258,265 (401 units) in YE 2024, 55% higher than YE 2023 revenues of \$167,126 (286 units). In addition, 419 homes were contracted for sale in YE 2024, an increase of 28%, as compared to 328 in YE 2023. There were 265 outstanding new home orders at the end of 2024 as compared to 247 outstanding new home orders at the end of 2023.

Revenues for single-family homes and townhouses were \$72,163 (107 units) in Q4 2024, 38% higher than Q4 2023 revenues of \$52,230 (86 units). In addition, 107 homes were contracted for sale in Q4 2024, an increase of 114%, as compared to 50 in Q4 2023.

Homes sold in YE 2024 had an average price of \$644 per home compared to \$584 in YE 2023. Homes sold in Q4 2024 had an average price of \$674 per home compared to \$607 per home in Q4 2023. Fluctuations in the average revenue per home sold are due to differences in product mix, community, and market conditions. During 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 \$399 depending on the location and the models being offered. In YE 2024, 386 single-family homes and 15 townhouses were sold compared to 268 single-family homes and 18 townhouses in YE 2023. In Q4 2024, 105 single-family homes and 2 townhouses were sold compared to 77 single-family homes and 9 townhouses in Q4 2023.

In YE 2024, 175 of the 401 homes sold were built on residential lots supplied by Genesis and Partnerships while in YE 2023, 187 of the 286 homes sold were built on residential lots supplied by Genesis. In Q4 2024, 42 of the 107 homes sold were built on residential lots supplied by Genesis and Partnerships, while 53 of the 86 homes sold in Q4 2023 were built on residential lots supplied by Genesis.

During 2024, GBG contracted to acquire 398 lots from third party developers. As of December 31, 2024, GBG had outstanding contracts to purchase 604 lots and had 169 orders to build homes on lots purchased from third party developers.

GBG builds homes either after receiving a firm sale contract (a “pre-construction home”) or on a quick possession (“spec”) 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 YE 2024, GBG had \$133,797 of work in progress, of which \$13,891 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 December 31,			Year ended December 31,		
	2024	2023	% change	2024	2023	% change
Quick possession sales (units)	5	18	(72.2%)	57	54	5.6%
Pre-construction home sales (units)	102	68	50.0%	344	232	48.3%
Total home sales (units)	107	86	24.4%	401	286	40.2%

Gross margin

Genesis realized gross margin on home sales of 24.9% in YE 2024 compared to 21.8% in YE 2023 and a gross margin on home sales of 26.1% in Q4 2024 as compared to 24.1% in Q4 2023. Fluctuations in gross margin are due to changes in market conditions and differences in product and community mix. In YE 2024, 386 single-family homes and 15 townhouses were sold compared to 268 single-family homes and 18 townhouses in YE 2023. In Q4 2024, 105 single-family homes and 2 townhouses were sold compared to 77 single-family homes and 9 townhouses in Q4 2023.

Other expenses

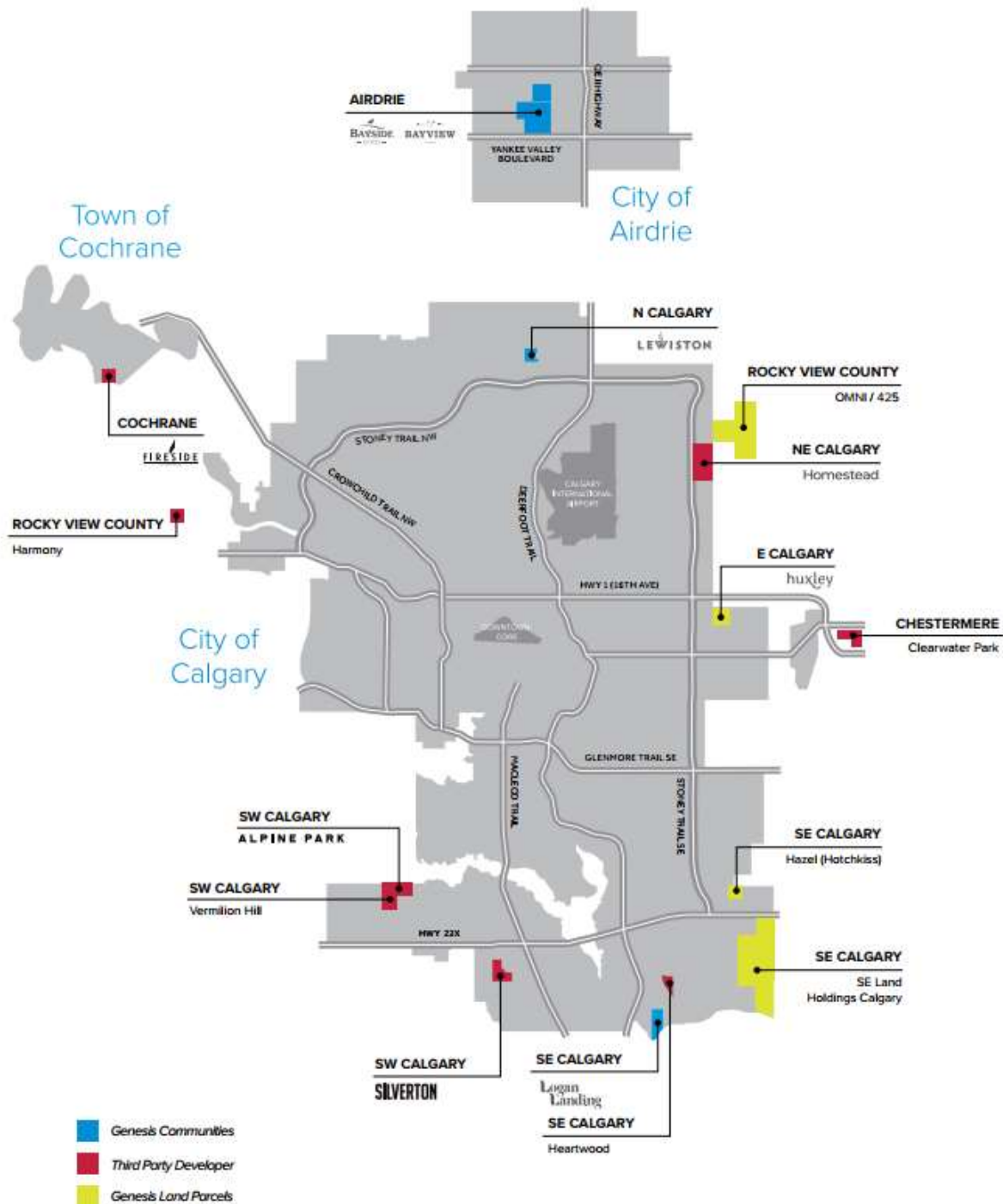
	Three months ended December 31,			Year ended December 31,		
	2024	2023	% change	2024	2023	% change
Other expenses						
General and administrative expense	(3,500)	(2,796)	25.2%	(13,732)	(10,531)	30.4%
Selling and marketing expense	(3,141)	(2,076)	51.3%	(11,476)	(6,686)	71.6%
Finance income	138	63	N/R ⁽¹⁾	356	137	N/R ⁽¹⁾
Finance expense	(209)	(241)	(13.3%)	(784)	(778)	0.8%
Total	(6,712)	(5,050)	32.9%	(25,636)	(17,858)	43.6%

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

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

In YE 2024, other expenses were \$25,636, 44% higher than \$17,858 incurred in YE 2023. In Q4 2024, other expenses totaled \$6,712, 33% higher than \$5,050 in Q4 2023. Other expenses were higher in both Q4 and YE 2024 mainly due to higher selling and marketing expense (including sales commissions) and general and administrative expense, specifically compensation expenses. In YE 2024 compensation expenses were \$10,921 compared to \$8,175 driven by increases in staffing and salaries reflecting higher activity levels, a competitive labor market, share-based compensation expenses and performance unit plan expenses relating to long-term incentives for performance. Share-based compensation and performance unit plan expenses were a significant component of compensation expenses. In YE 2024 share-based compensation and performance unit plan expenses totaled \$1,568 compared to \$777 in YE 2023. The increase in stock-based compensation expenses was mainly due to mark-to-market increase for DSUs issued in prior periods. Increase in selling and marketing expenses was primarily due to higher levels of sales activity in the home building business.

Location of GBG Building Communities



Real Estate Held for Development and Sale

	December 31,		
	2024	2023	% change
Real estate held for development and sale	440,792	342,791	28.6%

Refer to note 5 in the consolidated financial statements for the years ended December 31, 2024 and 2023 which details the components of the changes in the net book value of real estate held for development and sale.

Real estate held for development and sale increases as a result of acquisitions and development activities and declines as a result of sales of residential lots, homes and development land parcels. Real estate held for development and sale increased by \$98,001 as at YE 2024 compared to YE 2023 with the net increase mainly due to: (i) the acquisition of 894 acres of development land in southeast Calgary for \$75,470; and (ii) increase in residential lots from third party developers for \$88,070. 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 as at December 31, 2024:

Real Estate Held for Development and Sale	Net Book Value		
	Lots, multi-family & commercial parcels	Land held for development ⁽¹⁾	Total
Communities Directly Controlled			
Airdrie - Bayside, Bayview, Canals	28,029	13,967	41,996
Calgary SE - Logan Landing	9,342	52,752	62,094
Calgary SE - Hazel (Hotchkiss)	-	30,170	30,170
Calgary SE Land Holdings	-	68,896	68,896
Rocky View County - North Conrich (425)	-	6,977	6,977
Rocky View County - OMNI	-	6,053	6,053
Other land ⁽²⁾ - non-core	-	902	902
Communities Controlled through Partnerships - 60%			
Calgary N - Lewiston (owned by LLLP)	339	34,492	34,831
Calgary E - Huxley (owned by HLLP)	-	55,076	55,076
Total land development	37,710	269,285	306,995
Home building construction work-in-progress			45,241
Third party lots			88,556
Total home building			133,797
Total real estate held for development and sale			440,792

⁽¹⁾ Land held for development comprises lands not yet subdivided into single-family lots or parcels.

⁽²⁾ Other land is 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 December 31, 2024:

Serviced Lots, Multi-family and Commercial Parcels, by Community	Net Book Value	Single-family lots	Townhouse units	Townhouse/ multi-family parcels	Commercial parcels
Communities Directly Controlled					
Airdrie - Bayside, Bayview, Canals	28,029	328	1	1	-
Calgary SE - Logan Landing	9,342	120	-	-	-
Communities Controlled through Partnerships - 60%					
Calgary N - Lewiston (owned by LLLP)	339	4	-	-	-
Total	37,710	452	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 December 31, 2024, based on the Corporation's plans for the development of its lands. Refer to the section in this MD&A entitled "Obtaining Additional Zoning and Servicing Entitlements" for the status of North Conrich (425). The timelines discussed are management's best estimates at this time, given the uncertainties related to the regulatory approval process and market conditions.

Land Held for Development, by Community	Net Book Value	Land ⁽¹⁾ (acres)	Estimated Equivalent if/when Developed		
			Single-family (lots)	Multi-family (acres)	Commercial (acres)
Communities Directly Controlled					
Airdrie - Bayside, Bayview	13,967	66	274	2	-
Calgary SE - Logan Landing	52,752	327	1,340	7	3
Calgary SE - Hazel (Hotchkiss)	30,170	160	1,184	3	-
Calgary SE Land Holdings ⁽²⁾	68,896	1,194	-	-	-
Rocky View County - North Conrich (425) ⁽²⁾	6,977	425	-	-	-
Rocky View County - OMNI ⁽²⁾	6,053	185	-	-	-
Other land - non-core	902	156	-	-	-
Communities Controlled through Partnerships - 60%					
Calgary N - Lewiston (owned by LLLP)	34,492	96	635	3	4
Calgary E - Huxley (owned by HLLP)	55,076	161	1,378	-	-
Total	269,285	2,770	4,811	15	7

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

⁽²⁾ Lands are in early stage and the estimated equivalents awaiting regulatory approval.

Amounts Receivable

	December 31,		
	2024	2023	% change
Amounts receivable	66,363	28,156	N/R ⁽¹⁾

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

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 \$38,207 in amounts receivable was mainly due to higher lot sales to third party builders. As at YE 2024, Genesis had \$64,384 (409 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 YE 2024 that were 10% or more of total amounts receivable were \$57,956 from four third party builders (YE 2023 - \$26,623 from two third party builders).

VTB Mortgage Receivable

	December 31,		
	2024	2023	% change
Vendor-take-back mortgage receivable	641	1,976	(67.6%)

During 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 (used in) Operating Activities

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

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Cash flows from (used in) operating activities	13,348	(13,501)	27,555	(7,799)
Cash flows from (used in) operating activities per share - basic and diluted	0.24	(0.24)	0.49	(0.14)

The changes in cash flows from (used in) operating activities between Q4 2024 and Q4 2023 consist of the following:

Operating Activities - Inflows (Outflows)	Three months ended December 31,		
	2024	2023	\$ change
Residential home sales	71,152	52,835	18,317
Proceeds from sale of ownership interest in Limited Partnership	8,040	-	8,040
Residential lot sales	8,193	5,289	2,904
Development land sales	9,965	9,995	(30)
Residential home construction	(34,192)	(28,178)	(6,014)
Land development	(22,415)	(32,099)	9,684
Lots and land acquisitions	(17,455)	(12,686)	(4,769)
Suppliers and employees	(9,393)	(8,278)	(1,115)
Income tax	(1,284)	(682)	(602)
Other	737	303	434
Total	13,348	(13,501)	26,849

The changes in cash flows from (used in) operating activities between YE 2024 and YE 2023 consist of the following:

Operating Activities - Inflows (Outflows)	Year ended December 31,		
	2024	2023	\$ change
Residential home sales	258,970	167,673	91,297
Proceeds from sale of ownership interest in Limited Partnerships	16,440	11,760	4,680
Residential lot sales	49,825	16,948	32,877
Development land sales	18,887	14,237	4,650
Residential home construction	(127,881)	(104,662)	(23,219)
Land development	(68,754)	(68,146)	(608)
Lots and land acquisitions	(86,022)	(19,590)	(66,432)
Suppliers and employees	(30,334)	(24,056)	(6,278)
Income tax	(5,844)	(3,332)	(2,512)
Other	2,268	1,369	899
Total	27,555	(7,799)	35,354

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 the acquisition of residential lots and land. In addition, higher income tax payments were made in YE 2024 compared to YE 2023.

LIABILITIES AND SHAREHOLDERS' EQUITY

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

	December 31,		December 31,	
	2024	% of total	2023	% of total
Loan and credit facilities	133,494	23%	103,587	24%
Provision for future development costs	36,236	6%	20,569	5%
Customer deposits	19,577	3%	17,470	4%
Accounts payable and accrued liabilities	26,795	5%	22,579	5%
Accounts payable related to residential lot purchases	63,374	11%	32,319	7%
Lease liabilities	953	0%	712	0%
Income tax payable	10,091	2%	1,706	0%
Total liabilities	290,520	50%	198,942	45%
Non-controlling interest	20,718	4%	9,999	2%
Shareholders' equity	266,480	46%	231,142	53%
Total liabilities and equity	577,718	100%	440,083	100%

The ratio of total liabilities to equity is as follows:

	December 31, 2024	December 31, 2023
Total liabilities	290,520	198,942
Total equity	287,198	241,141
Total liabilities to equity ⁽¹⁾	101%	83%

⁽¹⁾ Calculated as total liabilities divided by total equity.

Loan and Credit Facilities

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Corporate revolving line of credit	13,885	20,079	26,798	10,152	12,800
Demand land project servicing loans	3,813	3,808	8,329	11,682	12,729
Demand land project servicing loans - LLLP	4,318	3,006	328	15,927	13,455
Demand land project servicing loan - HLLP	12,317	5,648	-	-	-
Demand operating line - LLLP	23,256	22,998	22,439	21,500	21,500
Demand operating line - HLLP	16,191	15,941	15,665	15,377	15,098
Demand operating line for single-family homes and lots	8,167	3,100	11,210	8,805	13,664
VTB mortgages payable - Calgary SE Land Holdings	55,646	60,168	60,168	18,088	18,088
VTB mortgage payable - Investment in Land Development Joint Venture	5,780	-	-	-	-
	143,373	134,748	144,937	101,531	107,334
Unamortized portions of the discount on the VTB mortgages payable	(9,020)	(9,456)	(10,457)	(2,707)	(3,010)
Unamortized deferred fees on loan and credit facilities	(859)	(969)	(875)	(932)	(737)
Balance, end of period	133,494	124,323	133,605	97,892	103,587

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

	Year ended December 31, 2024			Year ended December 31, 2023
	VTB mortgages payable	Loan and credit facilities	Total	Total
Balance, beginning of year	15,078	89,246	104,324	65,710
Advances	39,004	71,269	110,273	100,975
Repayments	(4,522)	(79,788)	(84,310)	(59,450)
Interest expense	2,846	1,220	4,066	(2,911)
Balance, end of year	52,406	81,947	134,353	104,324

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 December 31, 2024, the amount drawn on this facility was \$13,885 (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 \$9,121 with a major Canadian chartered bank at an interest rate per annum of prime +0.50%. These facilities are secured by agreements receivable, real estate held for development and sale, and a corporate guarantee, and mature between May 12, 2025 and November 28, 2025. As at December 31, 2024, the amount drawn on these facilities was \$3,813 (YE 2023 - \$12,729). Subsequent to December 31, 2024, a loan facility with the ability to borrow \$2,848 and a due date of May 12, 2025 was closed.

Demand land project servicing loans for LLLP

LLLP has demand land project servicing facilities up to \$26,497 with a major Canadian chartered bank at an interest rate per annum of prime +0.50%. These facilities are secured by specific lands, and a Genesis corporate guarantee, and mature between July 31, 2026 and November 26, 2027. As at December 31, 2024, the amount drawn on these facilities were \$4,318 (YE 2023 - \$13,455).

Demand land project servicing loan for HLLP

HLLP has 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, and matures on September 3, 2027. As at December 31, 2024, the amount drawn on this facility was \$12,317 (YE 2023 - \$Nil).

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 December 31, 2024, the amount drawn on this facility was \$23,256 (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 December 31, 2024, the amount drawn on this facility was \$16,191 (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 December 31, 2024, the amount drawn on this facility was \$8,167 (YE 2023 - \$13,664). The facility is renewed annually.

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. The first installment of \$4,522 was paid in November 2024. As at December 31, 2024, the VTB mortgage payable had an outstanding balance of \$13,566 with an unamortized discount of \$1,819 for a net amount of \$11,747 (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 December 31, 2024, the VTB mortgage payable had an outstanding balance of \$42,080 with an unamortized discount of \$6,676 for a net amount of \$35,404.

During Q4 2024, Genesis entered into a \$5,780 VTB mortgage payable on the investment of land development joint venture. The VTB mortgage payable is secured by specific lands, has an interest rate of 0% per annum and is repayable in two annual installments of \$2,890, commencing November 15, 2025 and November 15, 2026. As at December 31, 2024, the VTB mortgage payable had an outstanding balance of \$5,780 with an unamortized discount of \$525 for a net amount of \$5,255.

Provision for Future Development Costs

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

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

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

FDC as at YE 2024 was \$29,423 for the land division (YE 2023 - \$15,899) and \$6,813 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 \$21,414 and drawn loan and credit facilities of \$133,494 as at YE 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 \$112,080 as at YE 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.

	December 31,	
	2024	2023
Cash and cash equivalents	21,414	37,546
Corporate revolving line of credit	13,359	12,274
Demand land project servicing and home building loans	11,967	26,367
Demand land project servicing and operating lines - LLLP	27,482	34,832
Demand land project servicing and operating lines - HLLP	28,280	15,036
VTB mortgages payable, net of unamortized portions of the discount	52,406	15,078
Total loan and credit facilities	133,494	103,587
Net debt ^{(2) (3)}	(112,080)	(66,041)

⁽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.

	December 31,	
	2024	2023
Loan and credit facilities as a percentage of total assets ⁽¹⁾		
Corporate revolving line of credit	2.3%	2.8%
Demand land project servicing and home building loans	2.0%	6.0%
Demand land project servicing and operating lines - LLLP	4.8%	7.9%
Demand land project servicing and operating lines - HLLP	4.9%	3.4%
VTB mortgages payable, net of unamortized portions of the discount	9.1%	3.4%
Loan and credit facilities to total assets	23.1%	23.5%
Total liabilities to equity ⁽³⁾	101.2%	82.5%

⁽¹⁾ Calculated as each component of loan and credit facilities divided by total assets.

⁽²⁾ Not relevant due to size of the change.

⁽³⁾ Calculated as total liabilities divided by total equity.

	December 31,		
	2024	2023	% change
Net debt ⁽¹⁾ as a percentage of total assets			
Cash and cash equivalents	21,414	37,546	(43.0%)
Loan and credit facilities	(133,494)	(103,587)	28.9%
Net debt ^{(1) (2)}	(112,080)	(66,041)	69.7%
Net debt to total assets ⁽³⁾	(19.4%)	(15.0%)	29.3%

⁽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 December 31,		Year ended December 31,	
	2024	2023	2024	2023
Interest incurred	(1,382)	(1,534)	(6,113)	(4,912)
Imputed interest relating to VTB mortgages payable	(1,007)	(199)	(2,846)	(199)
Financing fees amortized	(122)	(106)	(447)	(386)
Interest and financing fees capitalized	232	463	1,498	1,124
	(2,279)	(1,376)	(7,908)	(4,373)

Finance expenses were higher in Q4 2024 and YE 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 6.05% (YE 2023 - 7.90%) based on December 31, 2024 balances.

Income Tax Payable

The continuity in income tax payable is as follows:

	December 31, 2024	December 31, 2023
Balance, beginning of year	1,706	704
Provision for current income tax	14,229	4,334
Net payments	(5,844)	(3,332)
Balance, end of year	10,091	1,706

As at December 31, 2024, income tax payable is a result of tax on the current year's income, partially offset by installment payments made during the year.

Shareholders' Equity

As at March 5, 2025, the Corporation had 56,758,947 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 renewed its NCIB on December 13, 2024. The renewed NCIB commenced on December 18, 2024 and will terminate on the earlier of: (i) December 17, 2025; and (ii) the date on which the maximum number of common shares are purchased pursuant to the bid. The Corporation may purchase for cancellation up to 2,839,275 common shares under the NCIB.

The prior NCIB, which expired on December 17, 2024, allowed the Corporation to purchase for cancellation up to 2,840,528 common shares.

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

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Number of shares purchased and cancelled	3,482	30,505	20,282	61,027
Total cost	11	69	51	135
Average price per share purchased	3.47	2.23	2.55	2.20
Shares cancelled as a % of common shares outstanding at beginning of period	0.01%	0.05%	0.04%	0.11%

During YE 2024, the Corporation purchased and cancelled 20,282 common shares for \$51 at an average cost of \$2.55 per share (representing 0.04% of issued and outstanding shares at the beginning of period) compared to 61,027 common shares for \$135 at an average cost of \$2.20 per share (representing 0.11% of issued and outstanding shares at the beginning of period) in YE 2023.

During Q4 2024, the Corporation purchased and cancelled 3,482 common shares for \$11 at an average cost of \$3.47 per share (representing 0.01% of issued and outstanding shares at the beginning of period) compared to 30,505 common shares for \$69 at an average cost of \$2.23 per share (representing 0.05% of issued and outstanding shares at the beginning of period) in Q4 2023.

The Corporation purchased and cancelled 23,079 common shares between January 1, 2025 and March 5, 2025 for \$77 at an average cost of \$3.34 per share under the NCIB. As of the date of this MD&A, there are 2,812,714 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, lease liabilities and provision for FDCs) at YE 2024 were as follows:

	Loan and Credit Facilities ⁽¹⁾	Levies and Municipal Fees	Lot Purchase Contracts ⁽²⁾	Lease Obligations ⁽³⁾	Total
Current	49,649	12,769	8,054	237	70,709
January 2026 to December 2026	35,515	11,504	26,955	237	74,211
January 2027 to December 2027	44,812	7,337	2,735	265	55,149
January 2028 and thereafter	13,397	-	-	8,168	21,565
Total	143,373	31,610	37,744	8,907	221,634

⁽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 third-party developers and from Partnerships controlled and managed by Genesis.

⁽³⁾ 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 limited partnerships 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 or upon the sale of the lot (and home) to an end user. In the event GBG fails to complete the purchase of lots pursuant to the terms of these lot purchase contracts, any deposits paid would be forfeited as liquidated damages without limiting the third-party developer's ability to seek further remedies available at law.

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 variable operating costs are \$513. In the event the office lease is terminated early, Genesis is liable to pay the landlord for the loss of its income for the unexpired portion of the lease, in addition to damages and other expenses incurred by the landlord, if any. Genesis also has other minor operating leases. In October 2024, Genesis signed a 10-year lease for its new head office location, which commences in March 2027 and expires in December 2037. The total estimated payments for its new head office location, including variable operating costs, base rent and parking are \$8,394. In the event the office lease is terminated early due to a default by Genesis, Genesis is liable to pay the landlord the aggregate of Basic Rent and Additional Rent (as defined in the lease) for a period of one year, being the estimated time required to re-lease the premises together with any other costs and expenses, including lawyer's fees, incurred by the landlord, if any.

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

Current Contractual Obligations and Commitments

	December 31, 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	49,649	26,916
Accounts payable and accrued liabilities	26,795	22,579
Accounts payable related to residential lot purchases	47,889	24,131
Total short-term liabilities	124,333	73,626
Levies and municipal fees	12,769	8,516
Lot purchase contracts	8,054	12,158
Lease obligations	237	585
	145,393	94,885

At YE 2024, Genesis had obligations due within the next 12 months of \$145,393 of which \$49,649 related to loan and credit facilities. Repayment is either linked directly to the collection of lot receivables and sales proceeds or due at maturity. Management expects that Genesis will have sufficient liquidity from its cash flows from operating activities, supplemented by undrawn credit facilities and cash on hand, to meet its financial obligations (including the above liabilities) as they become due.

OFF BALANCE SHEET ARRANGEMENTS

Letters of Credit and Surety Bonds

Genesis has an ongoing requirement to provide irrevocable letters of credit and surety bonds to municipalities as part of the subdivision plan registration process. These letters of credit and surety bonds indemnify the municipalities by enabling them to draw upon them if Genesis does not perform its contractual obligations. At YE 2024, these amounted to \$9,446 (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.

SELECTED ANNUAL INFORMATION

	2024	2023	2022	2021	2020
Total revenues	361,061	203,312	140,357	109,761	103,933
Gross margin before reversal of write-down / write-down ⁽¹⁾	96,524	45,831	26,072	27,575	27,352
Gross margin	96,524	46,531	27,158	31,843	15,715
Net earnings attributable to equity shareholders	39,597	14,512	4,520	10,877	199
Net earnings per share - basic and diluted	0.70	0.26	0.08	0.24	0.00
Total assets	577,718	440,083	364,140	324,929	266,494
Loan and credit facilities	133,494	103,587	65,057	32,668	21,470
Cash dividends per share ⁽²⁾	0.195	0.17	0.15	0.14	-

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

⁽²⁾ Amount paid in the year. Genesis declared dividends of \$0.195 per share, \$0.17 per share and \$0.15 per share in 2024, 2023 and 2022, respectively.

	2024	2023	2022	2021	2020
Return on shareholders' equity ("ROE") ⁽¹⁾	15.9%	6.4%	2.0%	5.2%	0.1%
Net book value per share ⁽²⁾	4.69	4.07	3.95	5.12	4.46
Average shareholders' equity ⁽³⁾	248,811	227,887	226,628	208,150	190,817

⁽¹⁾ Calculated as net earnings attributable to equity shareholders divided by average shareholders' equity.

⁽²⁾ Calculated as the book value of shareholders' equity divided by the weighted average number of common shares outstanding.

⁽³⁾ Calculated as the sum of shareholders' equity per the financial statements at the beginning and end of each year divided by two.

Factors that affect net earnings have been explained throughout this MD&A. In addition, shareholders' equity was affected by dividends and the repurchase and cancellation of shares under Genesis' NCIB. For additional details on dividends and NCIB, please see information provided under the heading "Liquidity and Return of Capital" in this MD&A.

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

Summary analysis for last three years

Total revenues consist of residential lot sales, development land sales, residential home sales and other revenues. Residential lot sales volumes were 726, 305 and 236 units in 2024, 2023, and 2022, respectively, reflecting the development of new phases and market conditions in each period. In addition, development land sales were \$17,531 \$16,200 and \$15,991 for 2024, 2023 and 2022 respectively. Development land sales are lumpy in nature and comprise sales of non-core lands, commercial lands and other lands on which Genesis has no intention to build.

Residential homes sold were 401, 286 and 169 in 2024, 2023, and 2022 respectively. Included in this were single-family homes sales of 386, 268 and 162 units in 2024, 2023, and 2022 respectively.

Gross margin before reversal of write-down was \$96,524 in 2024, higher than the prior year mainly due to higher volumes and higher margins on residential lots and home sales. Higher margins were received on development land sales in 2024. Gross margin before reversal of write-down was \$45,831 in 2023, higher than the prior year mainly due to higher volumes of residential lots and homes sales. Gross margin before reversal of write-down was \$26,072 in 2022, lower than the prior year mainly due to lower margin on residential lots, partially offset by higher margin on residential homes and development land. Gross margins on development land sales can vary significantly and are also impacted by write-downs or reversal of write-downs on real estate held for development and sale. There was no reversal of write-down on real estate held for development and sale in 2024, a reversal of write-down of \$700 on residential lot sales in 2023 and a net reversal of write-down of \$1,086 on development land sales in 2022 respectively. Net earnings and net earnings per share - basic and diluted were affected as a result of the above. Net earnings attributable to equity shareholders were \$39,597, \$14,512 and \$4,520 in 2024, 2023 and 2022, respectively. Net earnings per share (basic and diluted) were \$0.70 per share, \$0.26 per share and \$0.08 per share in 2024, 2023 and 2022, respectively.

Total assets increased by \$137,635 in 2024 compared to 2023. This was mainly due to an increase in real estate held for development and sale by \$98,001, an increase of \$38,207 in amounts receivable, and an increase of \$19,391 in investments in land development entities in the CMA, partially offset by a reduction of \$16,132 in cash and cash equivalents during the year.

Total assets increased by \$75,943 in 2023 compared to 2022. This was mainly due to an increase in real estate held for development and sale by \$77,108 and an increase of \$7,967 in amounts receivable and VTB mortgage receivable, partially offset by a reduction of \$9,772 in other operating assets during the year.

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

Total loan and credit facilities increased by \$29,907 in 2024 compared to 2023. This was due to the addition of two VTB mortgages payable related to the purchase of a parcel in Genesis' southeast Calgary lands and the investment in a land development joint venture. In addition, a \$12,317 servicing loan draw was made in HLLP. The increase was partially offset by the repayment of the first \$4,522 installment related to acquisition of a \$18,088 VTB for the purchase of the Calgary southeast land and lower land project servicing and home building project loan balances.

Total loan and credit facilities increased by \$38,530 in 2023 compared to 2022. This was mainly due to the addition of the VTB mortgage payable related to the purchase of the southeast Calgary lands, the addition of a \$15,098 demand operating credit facility in HLLP and higher land project servicing and home building project loan balances.

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

SUMMARY OF QUARTERLY RESULTS

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Revenues	104,647	93,131	94,978	68,305	71,602	41,173	53,188	37,349
Net earnings ⁽¹⁾	12,617	12,003	8,027	6,950	8,056	2,203	4,093	160
EPS ⁽²⁾	0.22	0.22	0.14	0.12	0.15	0.04	0.07	0.00

⁽¹⁾ Net earnings attributable to equity shareholders.

⁽²⁾ Net earnings per share - basic and diluted.

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Dividends declared and paid	5,679	-	5,395	-	4,830	-	4,833	-
Dividends declared and paid - per share	0.100	-	0.095	-	0.085	-	0.085	-

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Residential lots sold to third parties (units)	89	163	121	92	42	1	45	30
Residential lots sold through GBG (units)	24	52	50	31	53	43	59	32
Residential lots sold to GBG by Partnerships (units)	44	-	60	-	-	-	-	-
Total residential lots sold (units)	157	215	231	123	95	44	104	62

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Homes sold in third party communities (units)	65	50	57	54	33	28	10	28
Homes sold in Genesis lots (units)	24	52	50	31	53	43	59	32
Homes sold in Partnerships lots (units)	18	-	-	-	-	-	-	-
Homes sold (units)	107	102	107	85	86	71	69	60

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Development land revenues	12,065	-	5,466	-	11,958	-	4,242	-
Cash flows from (used in) operating activities	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Amount	13,348	(2,193)	6,758	9,642	(13,501)	(9,922)	7,590	8,034
Per share - basic and diluted	0.24	(0.04)	0.12	0.17	(0.24)	(0.17)	0.13	0.14

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

During Q4 2024, Genesis sold 89 residential lots to third party builders and 107 homes of which 42 homes were built on Genesis’ and Partnerships’ lots. Revenues were higher in Q4 2024, compared to Q3 2024, due to higher residential home sales and development land sales, partially offset by lower residential lot sales to third parties during the quarter. Gross margins in Q4 2024 were higher than in Q3 2024 with residential home and development land sales all contributing to this. In Q4 2024, the Corporation

recorded \$2,326 as a gain in investments in land development entities with no gain recorded in Q3 2024. Selling and marketing expenses were higher in Q4 2024 compared to Q3 2024 while general and administrative expenses and net finance expenses were comparative in Q4 2024 and Q3 2024. Income tax expenses were \$4,919 in Q4 2024 compared to \$3,592 in Q3 2024. As a result of these factors, net earnings were \$12,617 in Q4 2024 compared to net earnings of \$12,003 in Q3 2024.

During Q3 2024, Genesis sold 163 residential lots to third party builders and 102 homes of which 52 homes were built on Genesis' lots. Revenues were slightly lower in Q3 2024, compared to Q2 2024, due to there being no development land sales and lower residential home sales, partially offset by higher residential lot sales to third parties during the quarter. Gross margins in Q3 2024 were higher than in Q2 2024 with residential lot sales contributing to this. General and administrative expenses, selling and marketing expenses and net finance expenses were higher in Q3 2024 compared to Q2 2024. Income tax expenses were \$3,592 in Q3 2024 compared to \$1,281 in Q2 2024. As a result of these factors, net earnings were \$12,003 in Q3 2024 compared to net earnings of \$8,027 in Q2 2024.

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.

SUMMARY OF ACCOUNTING CHANGES

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

NEW ACCOUNTING PRONOUNCEMENTS

There were no new accounting pronouncements or amendments to existing standards that impacted or are expected to impact the Corporation in 2024 and 2025.

CRITICAL ACCOUNTING ESTIMATES

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

Provision for Future Development Costs

Changes in estimated FDCs, 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.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

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

- (i) material information relating to the Corporation, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared; and
- (ii) information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported on a timely basis.

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

The CEO and CFO have evaluated the design and operating effectiveness of Genesis' DC&P and ICFR and concluded that Genesis' DC&P and ICFR were effective as at December 31, 2024. While Genesis' CEO and CFO believe that the Corporation's internal controls and procedures provide a reasonable level of assurance that such controls and procedures are reliable, an internal control system cannot prevent all errors and fraud. It is management's belief that any control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

There were no changes in the Corporation's ICFR during the three months and year ended December 31, 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 Q4 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, relatively higher lending rates and continued inflationary pressures that weighed on demand. 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, 2024 available on SEDAR+ at www.sedarplus.ca.

Development and Construction Cost Risk

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

Credit and Liquidity Risk

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

Liquidity risk is the risk that Genesis will not be able to obtain financing for its servicing and other needs or be able to meet its financial obligations as they fall due. If Genesis is unable to generate sufficient sales, renew existing credit facilities or secure

additional financing, its ability to meet its obligations as they become due may be impacted. Based on the Corporation's operating history, relationships with lenders and committed sales contracts, management believes that Genesis has the ability to continue to renew or repay its financial obligations as they become due.

Finance Risk

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

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

Litigation Risk

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

Cybersecurity and Business Continuity Risk

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

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

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

There may be additional risks that management may need to consider as circumstances require. For a more detailed discussion on the Corporation's risk factors, refer to Genesis' AIF for the year ended December 31, 2024 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.

Gross margin before reversal of write-down / write-down is a non-GAAP measure, and therefore may not be comparable to similar measures presented by other reporting issuers. Gross margin before write-down is calculated by adjusting for write-down of real estate held for development and sale. Gross margin before write-down of real estate held for development and sale is used to assess the performance of the business without the effects of the non-cash write-down of real estate held for development and sale. Management believes it is useful to exclude write-down from the analysis as it could affect the comparability of financial

results between periods and could potentially distort the analysis of trends in business performance. Excluding this item does not imply it is non-recurring. The most comparable GAAP financial measure is gross margin.

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

Development Land	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Development land revenues	12,065	11,958	17,531	16,200
Gross margin	3,188	696	4,166	696
Write-down of real estate held for development and sale	-	-	-	-
Gross margin before write-down	3,188	696	4,166	696
Gross margin before write-down (%)	26.4%	5.8%	23.8%	4.3%

Residential Lots	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Residential lot revenues	34,215	14,675	127,919	45,863
Gross margin	13,613	4,141	32,555	9,412
(Reversal of write-down) of real estate held for development and sale	-	(700)	-	(700)
Gross margin before reversal of write-down	13,613	3,441	32,555	8,712
Gross margin before reversal of write-down (%)	39.8%	23.4%	25.4%	19.0%

Homes	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Revenues for homes	72,163	52,230	258,265	167,126
Gross margin	18,834	12,603	64,314	36,423
Write-down of real estate held for development and sale	-	-	-	-
Gross margin before write-down	18,834	12,603	64,314	36,423
Gross margin before write-down (%)	26.1%	24.1%	24.9%	21.8%

Development Land, Residential Lots and Homes	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Total revenues	104,647	71,602	361,061	203,312
Gross margin ⁽¹⁾	31,727	17,440	96,524	46,531
(Reversal of write-down) of real estate held for development and sale	-	(700)	-	(700)
Gross margin before reversal of write-down	31,727	16,740	96,524	45,831
Gross margin before reversal of write-down (%)	30.3%	23.4%	26.7%	22.5%

⁽¹⁾ Includes gross margin of \$3,908 for 26 lots in Q4 2024 and \$4,511 for 86 lots in YE 2024 purchased by the Home Building division from LLLP (\$Nil in Q4 2023 and YE 2023) where homes built on these lots are not closed yet. These amounts are eliminated on consolidation.

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:

	December 31, 2024	December 31, 2023
Cash and cash equivalents	21,414	37,546
Loan and credit facilities	133,494	103,587
Net debt	(112,080)	(66,041)

TRADING AND SHARE STATISTICS

The Corporation's trading and share statistics for 2024 and 2023 are provided below:

	2024	2023
Average daily trading volume	6,876	2,844
Share price (\$/share)		
High	4.25	2.50
Low	2.19	1.95
Close	3.33	2.30
Market capitalization at December 31,	189,084	130,645
Shares outstanding	56,782,026	56,802,308

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:

- 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;
- FDCs;
- 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.

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 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 cyclical nature 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.