



GENESIS LAND DEVELOPMENT CORP.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED FINANCIAL STATEMENTS
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MANAGEMENT'S REPORT

To the Shareholders of **Genesis Land Development Corp.:**

The consolidated financial statements and all information in the Management's Discussion and Analysis ("MD&A") are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with the accounting policies in the notes to the consolidated financial statements. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality, and are in accordance with International Financial Reporting Standards ("IFRS") appropriate in the circumstances. The financial information in the MD&A has been reviewed by management to ensure consistency with the consolidated financial statements.

Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records properly maintained to provide reliable information for the preparation of consolidated financial statements.

The consolidated financial statements have been further examined by the Board of Directors and by its Audit Committee, which meets regularly with the auditors and management to review the activities of each. The Audit Committee is composed of three independent directors, and reports to the Board of Directors.

MNP LLP, an independent firm of Chartered Professional Accountants, was engaged to audit the consolidated financial statements in accordance with Canadian generally accepted auditing standards and IFRS to provide an independent auditors' opinion.

/s/ PS Sidhu
President and Chief Executive Officer

/s/ Rob Sekhon
Chief Financial Officer

March 5, 2026

To the Shareholders of Genesis Land Development Corp.:

Opinion

We have audited the consolidated financial statements of Genesis Land Development Corp. and its subsidiaries (the "Corporation"), which comprise the consolidated balance sheet as at December 31, 2025 and December 31, 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Real estate held for development and sale

Key Audit Matter Description

Audit Response

Real estate held for development and sale

As at December 31, 2025, approximately 74% of the Corporation's total assets or \$459.1 million are comprised of real estate held for development and sale. Real estate held for development and sale should be measured at low of cost or net realizable value.

The determination of the net realizable value of real estate held for development and sale is considered to be a significant estimate and risk of material misstatement. Each valuation requires consideration of various inputs including but not limited to the type of the real estate, its location, stage of development and comparable market transactions. We therefore considered real estate held for development and sale as a key audit matter.

We responded to this matter by performing procedures in relation to real estate held for development and sale. Our audit work in relation to this included, but was not restricted to, the following:

- For certain real estate held for development and sale we obtained the independent appraisals completed for the Corporation's real estate holdings. We verified management had appropriately deducted future development costs and estimated selling costs from the appraised values to determine the net realizable value. We compared the carrying value to the estimated net realizable value.
- We obtained a reliance letter from the experts and confirmed their professional qualifications and their role as specialists.
- We engaged our valuation expert to review the independent appraisals to verify the methodology used by the independent appraisers was generally accepted.

MNP LLP

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- For real estate held for development and sale in which no appraisal was obtained, we assessed the carrying value based on recent sales made in various phases by using the average sales amount of the lots that are sold in the same phase during the reporting period. We performed a recalculation using the current year average sale price, multiplied by the number of lots remaining in each phase. We ensured expected future development costs and estimated selling costs were applied to the values in order to analyze the reasonability of net realizable value when compared to the carrying values in the general ledger.

Provision for future land development costs

Key Audit Matter Description

Audit Response

Provision for future development costs.

The Corporation has obligations related to the completion of land under development and housing projects. The Corporation recognizes a liability for the future costs to be incurred.

The liability recognized for future land development and housing projects costs involves data inputs which rely on significant judgment from management, as well as significant reliance on the estimates made by third party engineers and architects. As such, future development and housing projects costs are susceptible to risk of material misstatement due to the subjective nature of assumptions. We therefore considered the provision for future development costs as a key audit matter.

We responded to this matter by performing procedures in relation to provision for future development costs. Our audit work in relation to this included, but was not restricted to, the following:

- We obtained copies of the estimated cost reports prepared by independent experts (engineers and architects) engaged by management.
- We obtained a reliance letter from the independent experts in which we confirmed the objectives of the expert's procedures. We also held discussions with the experts to obtain an understanding of the estimation process.
- For internally estimated future development costs, we had thorough discussions with managers in the land and home divisions of the Corporation to understand management's estimation process. We considered the reasonableness of the internal estimates based on known historical and current information. We compared prior year costs to complete ("CTC") balance to current year CTC by community and analyzed significant variances to ensure the change is reasonable.
- We also compared estimates in managements calculation to the reports obtained from independent engineer specialists. In addition, we recalculated the allocation of community costs to specific development phases and completed analytical procedures based on percentage of sold lots to identify unexpected and unusual variances in expected CTC balance.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis.
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Scott Laluk.

Calgary, Alberta

March 5, 2026

MNP LLP
Chartered Professional Accountants

**GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED BALANCE SHEETS**

(In thousands of Canadian dollars)

	Notes	December 31, 2025	December 31, 2024
Assets			
Real estate held for development and sale	5	459,124	440,792
Amounts receivable	6	95,062	66,363
Vendor-take-back mortgage receivable		-	641
Investments in land development entities	7	24,409	26,551
Investment in other real estate entity	8	4,029	4,029
Other operating assets	9	11,832	9,614
Right-of-use assets	10	575	705
Deferred tax assets	11	9,742	7,609
Cash and cash equivalents		17,511	21,414
Total assets		622,284	577,718
Liabilities			
Loan and credit facilities	12	136,441	133,494
Customer deposits	13	9,234	19,577
Accounts payable and accrued liabilities	21a	29,354	26,795
Accounts payable related to residential lot purchases	21a	68,113	63,374
Lease liabilities	10	735	953
Income tax payable		1,231	10,091
Provision for future development costs	14	49,813	36,236
Total liabilities		294,921	290,520
Commitments and contingencies	20		
Subsequent events	16a, 21, 26		
Equity			
Share capital	15	82,052	82,263
Contributed surplus		1,063	1,063
Retained earnings		215,373	183,154
Shareholders' equity		298,488	266,480
Non-controlling interest		28,875	20,718
Total equity		327,363	287,198
Total liabilities and equity		622,284	577,718

See accompanying notes to the consolidated financial statements.

ON BEHALF OF THE BOARD:

/s/ **Stephen J. Griggs**
Director and Chair

/s/ **Steven Glover**
Director and Chair of the Audit Committee

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2025 and 2024
(In thousands of Canadian dollars except per share amounts)

		Year ended December 31,	
	Notes	2025	2024
Revenues			
Sales revenue		380,613	360,920
Other revenue		546	141
	22	381,159	361,061
Direct cost of sales		(279,695)	(264,537)
Gross margin		101,464	96,524
Unrealized gain - investments in land development entities	7	1,432	2,326
General and administrative	17	(26,349)	(23,360)
Selling and marketing	18	(14,707)	(13,510)
		(39,624)	(34,544)
Earnings from operations		61,840	61,980
Finance income		1,039	1,774
Finance expense	19	(8,363)	(7,908)
Earnings before income taxes		54,516	55,846
Income tax expense	11	(12,537)	(12,053)
Net earnings being comprehensive earnings		41,979	43,793
Attributable to non-controlling interest	23, 24	2,736	4,196
Attributable to equity shareholders		39,243	39,597
Net earnings per share - basic and diluted	15b	0.69	0.70

See accompanying notes to the consolidated financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2025 and 2024
(In thousands of Canadian dollars except number of shares)

	Notes	Equity attributable to Corporation's shareholders					Non-Controlling Interest	Total Equity
		Common shares - Issued		Contributed Surplus	Retained Earnings	Total Shareholders' Equity		
		Number of Shares	Amount					
At December 31, 2023		56,802,308	82,293	1,063	147,786	231,142	9,999	241,141
Dividends	15d	-	-	-	(11,074)	(11,074)	-	(11,074)
Normal course issuer bid	15c	(20,282)	(30)	-	(21)	(51)	-	(51)
Changes of ownership interest / Contribution	23	-	-	-	6,866	6,866	6,523	13,389
Net earnings being comprehensive earnings		-	-	-	39,597	39,597	4,196	43,793
At December 31, 2024		56,782,026	82,263	1,063	183,154	266,480	20,718	287,198

At December 31, 2024		56,782,026	82,263	1,063	183,154	266,480	20,718	287,198
Dividends	15d	-	-	-	(12,187)	(12,187)	-	(12,187)
Normal course issuer bid	15c	(143,765)	(211)	-	(255)	(466)	-	(466)
Changes of ownership interest / Contribution	23	-	-	-	5,418	5,418	6,662	12,080
Distributions		-	-	-	-	-	(6,229)	(6,229)
Acquisition from limited partnership	24	-	-	-	-	-	4,988	4,988
Net earnings being comprehensive earnings		-	-	-	39,243	39,243	2,736	41,979
At December 31, 2025		56,638,261	82,052	1,063	215,373	298,488	28,875	327,363

See accompanying notes to the consolidated financial statements.

GENESIS LAND DEVELOPMENT CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024
(In thousands of Canadian dollars)

		Year ended December 31,	
	Notes	2025	2024
Operating activities - inflows (outflows)			
Residential home sales		269,472	258,970
Residential lot sales		74,448	49,825
Land parcel sales		730	18,887
Proceeds from sale of ownership interest in Partnerships	23	13,700	16,440
Interest		959	1,774
Residential home construction		(160,696)	(127,881)
Land development		(61,379)	(68,754)
Lots and land acquisitions		(57,006)	(86,022)
Suppliers and employees		(38,014)	(30,334)
Income tax		(25,149)	(5,844)
Other		536	494
Cash flows from operating activities		17,601	27,555
Investing activities - inflows (outflows)			
Investment in other real estate entity	8	-	(455)
Acquisition of equipment		(1,584)	(1,483)
Change in restricted cash		4	38
Investments in land development entities	7	-	(15,746)
Distributions received from land development entities	7	3,574	3,590
Cash flows from (used in) investing activities		1,994	(14,056)
Financing activities - inflows (outflows)			
Advances from loan and credit facilities	12	117,259	71,269
Payments on loan and credit facilities	12	(105,955)	(79,788)
Payments on vendor-take-back mortgages	12e, 12f	(14,413)	(4,522)
Interest and fees paid on loan and credit facilities		(3,436)	(5,465)
Distributions to unit holders of limited partnerships		(4,300)	-
Cancellation of shares under NCIB	15c	(466)	(51)
Dividends paid	15d	(12,187)	(11,074)
Cash flows used in financing activities		(23,498)	(29,631)
Change in cash and cash equivalents		(3,903)	(16,132)
Cash and cash equivalents, beginning of year		21,414	37,546
Cash and cash equivalents, end of year		17,511	21,414

See accompanying notes to the consolidated financial statements.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2025 and 2024

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

1. DESCRIPTION OF BUSINESS

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

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

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

The consolidated financial statements of Genesis were approved for issuance by the Board of Directors on March 5, 2026.

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The significant accounting policies of the Corporation are set out below. These policies have been consistently applied to each of the years presented, unless otherwise indicated.

a) **Statement of compliance**

These consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee effective as at December 31, 2025.

b) **Basis of presentation**

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

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2025 and 2024

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

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

c) Basis of consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, as well as the consolidated revenues, expenses, assets, liabilities and cash flows of limited partnership entities that the Corporation controls. When the Corporation has less than 50% equity ownership in these limited partnership entities, the Corporation may still have control over these entities' activities, projects, financial and operating policies due to contractual arrangements. Accordingly, the accounts of the limited partnerships have been consolidated in the Corporation's financial statements.

Controlled entities are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continues to be consolidated until the date when such control ceases. Control exists when the Corporation has the power, directly or indirectly, to govern the financial and operating policies of an entity. All intra-group transactions, balances, dividends and unrealized gains and losses resulting from intra-group transactions are eliminated on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets not owned by the Corporation and are presented separately from shareholders' equity in the consolidated statements of comprehensive income and within equity in the consolidated balance sheets. Losses within a controlled entity are attributed to the non-controlling interest even if that results in a deficit balance.

d) Revenue recognition

(i) Residential lot sales

Lot sales to third parties are recognized when the Corporation's performance obligations are satisfied, and transfer of control has passed to the purchaser.

Performance obligations are considered satisfied when the Corporation has the ability to release the lot to the purchaser after agreed to services pertaining to the property have been substantially performed.

Indicators of transfer of control to a purchaser include a present right to payment at the closing date of the contract, the purchaser having full access to the lot and the purchaser's ability to obtain a building permit from the relevant authority, all indicating that significant risk and rewards of ownership have been transferred to the purchaser who has signed a contract and has made a minimum 15% non-refundable deposit. In order to mitigate credit risk, the Corporation does not transfer title to sold residential lots until full payment is received.

Deposits received upon signing of contracts for purchases of lots on which revenue recognition criteria have not been met are recorded as customer deposits.

(ii) Land parcel sales

Land parcel sales to third parties are recognized when the Corporation's performance obligations are satisfied, and transfer of control has passed to the purchaser.

Performance obligations are satisfied after agreed to services pertaining to the property have been substantially performed.

Indications of transfer of control to a purchaser include registering the subdivision plan with the land titles office and transferring title of the land to the purchaser on receipt of full payment, all indicating significant risk and rewards of ownership are transferred to the purchaser. In situations where extended payment terms are provided to a purchaser, an appropriate rate of interest is included, and the Corporation secures appropriate security for the remaining unpaid portion before title to the land is transferred to the purchaser.

Deposits received upon signing of contracts for purchases of land on which revenue recognition criteria have not been met are recorded as customer deposits.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2025 and 2024

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

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

(iii) Residential home sales

Home sales to third parties are recognized when the Corporation's performance obligations are satisfied, and transfer of control has passed to the purchaser.

Performance obligations are considered satisfied when title to the completed home is conveyed to the purchaser, at which time all proceeds are received or collection is reasonably assured.

Deposits received from customers upon signing of contracts for purchases of completed homes for which revenue recognition criteria have not been met are recorded as customer deposits.

(iv) Finance income

Finance income is recognized as it accrues using the effective interest rate method.

(v) Other revenue

Other revenue is comprised of rental income, miscellaneous fees, forfeited deposits and recoveries related to service deficiencies. The Corporation recognizes amounts received from vendors for service deficiencies or as customer retention incentives as other income when the right to receive payment is established and collection is reasonably assured. Rental income is recognized on a straight-line basis over the term of the rental agreement. Rental income is incidental to ownership of real estate and does not result in classification of real estate as investment property. All real estate is classified as inventory.

e) Real estate held for development and sale

Land under development, land held for future development and housing projects under construction are inventory and are measured at the lower of cost and estimated net realizable value ("NRV"). NRV is the estimated selling price in the ordinary course of the business at the balance sheet date, less costs to complete and estimated selling costs.

Cost includes land acquisition costs, other direct costs of development and construction, borrowing costs, property taxes and legal costs. These costs are allocated to each phase of the project in proportion to saleable acreage.

f) Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of the funds. The acquisition or construction of real estate assets takes a substantial period of time, often multi-year to develop it for its intended use or sale. Borrowing costs attributable to real estate held for development and sale are recorded as part of the respective inventory carrying cost from the date of commencement of development work until the date of completion. All other borrowing costs are expensed in the period in which they are incurred. The recording of interest to inventory is suspended if the project's development is suspended for a prolonged period.

g) Property and equipment

Property and equipment is stated at cost, net of any accumulated depreciation and accumulated impairment losses. Depreciation is provided on all operating property and equipment based on the straight-line method over the estimated useful lives of the property and equipment. The useful lives of the properties are as follows:

- | | |
|----------------------------------|--|
| • Vehicles and other equipment | 5 years |
| • Office equipment and furniture | 7 years |
| • Computer hardware and software | 3 years |
| • Showhome furniture | 3 years |
| • Leasehold improvements | Lesser of useful life of the improvement or the lease term |

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2025 and 2024

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

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

h) Income taxes

Income tax is recognized in the consolidated statements of comprehensive income except to the extent that it related to items recognized directly in equity, in which case it is recognized in equity.

Income taxes comprise the following:

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries, using tax rates and laws that are enacted or substantively enacted as at the balance sheet date.

(ii) Deferred tax

Deferred tax is provided at the balance sheet date using the liability method on all temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available, against which deductible temporary differences, carried forward tax credits or tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

The Corporation's consolidated financial statements include some entities that are limited partnerships (note 25) and are not subject to income taxes. The income or loss for Canadian tax purposes is attributable to the taxable income of the limited partners in accordance with the provisions of the Income Tax Act (Canada). The calculation of income tax expense reflects the exclusion of taxable income allocated to limited partners that form part of the non-controlling interest.

i) Cash and cash equivalents

Cash and cash equivalents consist of cash held with banks and short-term deposits with an original maturity of three months or less.

j) Leases

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2025 and 2024

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

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

k) Financial assets

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The three primary measurement categories for financial assets are: amortized cost, fair value through profit and loss ("FVTPL"), and fair value through other comprehensive income ("FVOCI").

Financial assets measured at amortized cost are assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial instruments classified as amortized cost are initially measured at fair value plus directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest rate method, less impairment. The amortization and losses arising from impairment are recognized in the consolidated statements of comprehensive income.

Financial assets at FVOCI are assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL are assets that do not meet the criteria for amortized cost or FVOCI. Financial assets classified as FVTPL are carried on the balance sheet at fair value with changes in fair value recognized in the consolidated statements of comprehensive income. Transaction costs are expensed as incurred.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or the Corporation transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained is recognized as a separate asset or liability.

Loss allowance for trade receivables is calculated using the expected lifetime credit loss model and recorded at the time of initial recognition. Title to land sold is typically transferred on receipt of full payment from the purchaser. In situations where extended payment terms are provided to a purchaser, the Corporation secures adequate security for the remaining unpaid portion before title to the land is transferred to the purchaser. The Corporation experiences no material impact of the loss allowance for trade receivables due to the above. The expected loss allowance using the lifetime credit loss approach, has no material impact on the consolidated financial statements.

The Corporation recognizes bad debt expense or recovery relating to amounts receivable on sold lots, net of the value of the related sold lots, on the termination of the relevant agreement, which are taken back into the Corporation's lot inventory. Bad debt expense or recovery is included in the Corporation's general and administrative expenses.

l) Financial liabilities

The classification of financial liabilities is determined by the Corporation at initial recognition. The classification categories are: amortized cost and FVTPL.

Financial liabilities classified as amortized cost are financial liabilities initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in the consolidated statements of comprehensive income.

Financial liabilities measured at FVTPL are financial liabilities measured at fair value with changes in fair value and interest expense recognized in the consolidated statements of comprehensive income.

Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire.

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2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

Financial assets and financial liabilities are offset, and the net amount presented on the balance sheet when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Corporation's financial instruments (assets and liabilities) are classified as follows:

• Amounts receivable	Amortized cost
• Vendor-take-back mortgage receivable	Amortized cost
• Investments in land development entities	FVTPL
• Restricted cash	FVTPL
• Cash	FVTPL
• Cash equivalents	Amortized cost
• Loan and credit facilities	Amortized cost
• Deposits	Amortized cost
• Accounts payable and accrued liabilities	Amortized cost
• Cash settled deferred share units	FVTPL

m) **Earnings per share**

The amount of basic earnings per share is calculated by dividing the comprehensive earnings attributable to equity holders by the weighted average number of shares outstanding during the period.

n) **Provision for future development costs**

The Corporation sells land, lots and homes for which Genesis is responsible to pay for future development costs. For land development, the provision for future development costs represents the estimated remaining construction costs related to previously sold land, including all direct and indirect costs expected to be incurred during the remainder of the servicing period, net of expected recoveries. The provision is reviewed periodically and, when the estimate is known to be different from the actual costs incurred or expected to be incurred, an adjustment is made to the provision for future development costs and a corresponding adjustment is made to land under development and/or cost of sales. For home building, the provision for future development costs represents the costs likely to be incurred on remaining seasonal work and estimated warranty charges over the one-year warranty period.

o) **Share-based compensation**

The Corporation has a long-term incentive plan comprised of a deferred share unit ("DSU") plan.

Deferred share unit plan

DSUs are notional common shares of the Corporation that do not settle until the recipient leaves the Corporation. The Corporation's DSU plan allows for the participants to receive cash-settled DSUs. The fair value of DSUs and the cash payment, when made, is based on the common share price of the Corporation at the relevant time. Vesting provisions for DSUs are determined at the time of issuance.

The fair value of the DSUs is recognized as share-based compensation expense, with a corresponding increase in accrued liabilities over the vesting period. The amount recognized as an expense is based on the estimate of the number of DSUs expected to vest. DSUs are measured at their fair value at each reporting period end on a mark-to-market basis. The accrued liability is reduced on the cash payout of any DSU.

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2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

p) Investment in other real estate entity

The Corporation has an interest in a joint venture, Sage Hill Estates Apartments LP, ("SHEA LP" or the "JV") which is a jointly controlled entity. The Corporation recognizes its interest in the operations of the JV using the equity method of accounting and it is included as a part of general and administrative expense.

q) Changes in ownership interests

The sale of ownership interest stakes, by way of limited partnerships units, in land development entities results in a change in ownership interest while still retaining control and are accounted for as a transaction with equity holders. As a result, no gain or loss was recognized in profit or loss; instead, gain or loss was recognized in equity. The interests of the parent and non-controlling interest ("NCI") in the controlled entity have been adjusted to reflect the relative change in the interest in the controlled entity's equity. The amount by which the NCI is adjusted, and the fair value of the consideration paid or received is recognized directly in retained earnings in shareholders' equity and attributed to the owners of the parent.

Lewiston Lands Limited Partnership ("LLLP"), Huxley Lands Limited Partnership ("HLLP") and Hazel Lands Limited Partnership ("HZLP") are referred to collectively as the "Partnerships".

r) Significant accounting judgments and estimates

The preparation of consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. On an ongoing basis, management evaluates its judgments and estimates in relation to revenues, expenses, assets and liabilities. Management uses historical experience 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.

The following are the most significant accounting judgments and estimates made by the Corporation in applying accounting policies:

Judgments

(i) Revenue recognition

Revenue recognition for development lands requires judgment to determine when performance obligations are satisfied and transfer of control has passed to the purchaser. The Corporation reviews each contract and evaluates all the factors to determine the appropriate date to recognize revenue.

(ii) Consolidation

The Corporation applies judgment in determining control over certain limited partnerships based on a review of all contractual agreements to determine if the Corporation has control over the activities, projects, financial and operating policies of the limited partnerships.

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2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

(iii) Income taxes

The Corporation applies judgment in determining the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain due to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of the business, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to the provision for current and deferred taxes.

(iv) Net realizable value ("NRV")

NRV for land and housing projects held for development and sale is estimated with reference to market prices and conditions existing at the balance sheet date. This is determined by the Corporation having considered suitable external advice including independent real estate appraisers and recent market transactions of similar and adjacent lands and housing projects in the same geographic area.

(v) Legal contingencies

The Corporation applies judgment as it relates to the outcome of legal proceedings to determine whether a provision and disclosure in the consolidated financial statements is required. Among the factors considered in making such judgments are the nature of litigation, claim or assessment, the legal process and potential level of damages, the progress of the case, the opinions or views of legal advisers and any decision of the Corporation's management as to how it will respond to the litigation, claim or assessment.

Estimates

(i) Provision for future development costs

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

(ii) Reversal of write-down / Write-down of real estate held for development and sale

The Corporation estimates the NRV of real estate held for development and sale and investments in land development entities at least annually for impairment 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 and other third-party advisors and is also based on housing projects and lot sales in the same geographic area.

(iii) Valuation of amounts receivable and vendor-take-back mortgage receivable

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

(iv) 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 or from external third-party appraisals.

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3. STANDARDS AND AMENDMENTS TO EXISTING STANDARDS DURING 2025

The Corporation adopted no new IFRSs and interpretations during 2025.

4. NEW ACCOUNTING PRONOUNCEMENTS

The following new standards and amendments to standards have been issued as at December 31, 2025 but are not yet effective. The Corporation does not plan to early adopt any of these new or amended standards and interpretations.

Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures

In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures* to clarify the date of recognition and derecognition of some financial liabilities settled using an electronic payment system before the settlement date. The amendments also clarify the classification of certain financial assets and introduce disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after January 1, 2026, and are to be applied retrospectively; restatement of prior periods is not required. The Corporation is currently evaluating the potential impact of these amendments on the Corporation's consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18, issued in April 2024, replaces IAS 1, *Presentation of Financial Statements* and establishes the overall requirements for presentation and disclosures in the financial statements, including a new defined structure for the statement of profit or loss and specific disclosure requirements related to management-defined performance measures. IFRS 18 also enhances guidance on how to group information within the financial statements.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, including interim financial statements, and is to be applied retrospectively. The Corporation has not yet determined the impact of this standard on its consolidated financial statements.

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5. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

Net book value	Lots, Multi-family & Commercial	Land Held for Development	Home Building	Total
As at December 31, 2023	37,428	217,049	88,314	342,791
Development and construction activities	4,909	52,246	101,471	158,626
Transfer	74,627	(74,627)	-	-
Acquisitions	-	75,470	88,070	163,540
Sold	(79,254)	(853)	(144,058)	(224,165)
As at December 31, 2024	37,710	269,285	133,797	440,792
Development and construction activities	2,609	37,848	167,625	208,082
Transfer	67,746	(67,746)	-	-
Acquisitions	-	5,498	52,604	58,102
Sold	(78,800)	(2,123)	(166,929)	(247,852)
As at December 31, 2025	29,265	242,762	187,097	459,124

Acquisition amounts during the year ended December 31, 2025 in the table above include:

- a) Home building: the acquisition of 270 residential lots in the Calgary Metropolitan Area for \$50,177 and the acquisition of a multi-family parcel from Genesis by its 100% controlled and owned partnership Cobalt Bay Limited Partnership ("CBLP").
- b) Land held for development: the acquisition of an additional 27% interest in the OMNI project in North Conrich from Genesis Limited Partnership #4 for \$5,498 (see note 24 for additional information).

During the year ended December 31, 2025, interest of \$1,156 (2024 - \$1,498) was capitalized as a component of development activities.

6. AMOUNTS RECEIVABLE

	2025	2024
Agreements receivable	90,736	64,384
Other receivables	4,326	1,979
	95,062	66,363

Agreements receivable for lot sales have various terms of repayment with purchasers generally having between 6 and 24 months to pay the balance owing for the purchased lots. On receipt of a minimum 15% non-refundable deposit and after agreed to services pertaining to the property have been substantially performed, the purchaser is deemed to have control over the lot and is permitted to start construction. In order to mitigate credit risk, the Corporation does not transfer title to sold residential lots until full payment is received (see note 21a). Certain agreements receivable and mortgages receivable, if any, are interest bearing.

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7. INVESTMENTS IN LAND DEVELOPMENT ENTITIES

	As at December 31, 2024	Distributions received	Unrealized gain (loss) in fair value	As at December 31, 2025
Limited Partnership - 5%	2,142	(1,174)	191	1,159
Joint Venture - 8%	6,304	(2,400)	562	4,466
Limited Partnership - 16.7%	5,000	-	756	5,756
Joint Venture - 12.5%	8,099	-	994	9,093
Joint Venture - 15%	5,006	-	(1,071)	3,935
Total	26,551	(3,574)	1,432	24,409

The fair value of investments in land development entities is based on the market value approach method. This method used prices and other relevant information generated by market transactions involving identical or comparable assets. Where applicable, adjustments are made during interim periods to reflect changes in fair value, incorporating management's estimates and assumptions. During the year ended December 31, 2025, the Corporation recorded \$1,432 as an unrealized gain in investment in fair value of investments held in the year (2024 - \$2,326). Third party appraisals were commissioned in the fourth quarter of 2025.

8. INVESTMENT IN OTHER REAL ESTATE ENTITY

The Corporation and a private company entered into a limited partnership agreement in 2021 to form Sage Hill Estates Apartments LP ("SHEA LP"), for the purpose of acquiring, developing and renting certain real estate. The Corporation sold a 3.22-acre multi-family site for \$3,589 to SHEA LP and used the gross sale proceeds to purchase units in SHEA LP by way of a capital investment of \$3,589 in 2022.

	Total
As at December 31, 2023	3,581
Investment	455
Loss	(7)
As at December 31, 2024	4,029
As at December 31, 2025	4,029

The investment in SHEA LP is accounted for using the equity method with the Corporation's share of net assets being \$4,029 at December 31, 2025 (December 31, 2024 - \$4,029).

9. OTHER OPERATING ASSETS

	2025	2024
Deposits	7,280	6,029
Restricted cash	429	433
Prepayments	1,469	880
Property, equipment and other	2,654	2,272
	11,832	9,614

Deposits include amounts paid by the Corporation towards the purchase of lots and land as well as amounts paid to development authorities as security to guarantee the completion of construction projects under development. Restricted cash includes funds held in trust related to acquisition and sale of land parcels and lots. The Corporation also provides letters of credit and surety bonds as security to guarantee the completion of certain construction projects (see note 20a for additional information).

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10. LEASES

Right-of-Use Assets	Office Building	Other ⁽¹⁾	Total
As at January 1, 2025	221	484	705
Additions	-	348	348
Depreciation charge for the year	(102)	(376)	(478)
As at December 31, 2025	119	456	575
As at December 31, 2024	221	484	705

Lease Liabilities	Office Building	Other ⁽¹⁾	Total
As at January 1, 2025	365	588	953
Additions	-	365	365
Lease payments	(178)	(464)	(642)
Interest for the year ⁽²⁾	14	45	59
As at December 31, 2025	201	534	735
As at December 31, 2024	365	588	953

Lease Liabilities - undiscounted cash flows	Office Building	Other ⁽¹⁾	Total
January 1, 2026 to December 31, 2026	178	324	502
January 1, 2027 to October 31, 2030	29	192	221
As at December 31, 2025	207	516	723
As at December 31, 2024	386	641	1,027

Amounts recognized in statements of comprehensive income	Office Building	Other ⁽¹⁾	Total
Interest on lease liabilities	14	45	59
Total for the year ended December 31, 2025	14	45	59
Total for the year ended December 31, 2024	22	39	61

Amounts recognized in the statement of cash flows ⁽³⁾	Office Building	Other ⁽¹⁾	Total
Interest paid	14	45	59
Payment of lease liabilities	164	419	583
Total for the year ended December 31, 2025	178	464	642
Total for the year ended December 31, 2024	178	470	648

⁽¹⁾ Includes showhome leasebacks, trucks and photocopiers.

⁽²⁾ Discount rate used ranged between 4.04% and 7.90%.

⁽³⁾ These amounts are included in the line item "paid to suppliers and employees" in the consolidated statements of cash flows.

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11. INCOME TAXES

a) Income tax was recognized in the consolidated statements of comprehensive income as follows:

	2025	2024
Current income tax expense	14,669	12,179
Deferred income tax recovery	(2,132)	(126)
Income tax expense	12,537	12,053

b) Income tax expense differed from that which would be expected from applying the combined statutory Canadian federal and provincial income tax rates of 23.00% (2024 - 23.00%) to earnings before income taxes. The difference resulted from the following:

	2025	2024
Earnings before income taxes	54,516	55,846
Statutory tax rate	23.00%	23.00%
Expected income tax expense	12,538	12,845
Utilization of previously unrecognized tax income (losses)	57	(658)
Other	(351)	(170)
Non-controlling interest	293	36
Tax expense for the year	12,537	12,053

c) The deferred tax assets of the Corporation were as follows:

	2025	2024
Deferred tax assets	17,373	13,571
Deferred tax liabilities	(7,631)	(5,962)
Net deferred tax assets	9,742	7,609

d) The components of the net deferred tax assets were as follows:

	2025	2024
Real estate held for development and sale	14,428	9,379
Reserves from land sales	(7,638)	(5,601)
Unamortized financing costs	2,575	2,890
Other temporary differences	377	941
Net deferred tax assets	9,742	7,609

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12. LOAN AND CREDIT FACILITIES

		2025	2024
Corporate revolving line of credit	a	10,413	13,885
Project-specific lines			
Demand land project servicing and operating lines	b	63,645	59,895
Demand operating line for single-family homes and lots	c	18,269	8,167
Demand operating line - CBLP	d	2,845	-
Subtotal		84,759	68,062
Vendor-take-back ("VTB") mortgages payable related to land purchases and investment in Joint Venture			
VTB mortgages payable - Calgary SE Land Holdings	e	44,124	55,646
Unamortized portion of the discount on these VTBs		(4,977)	(8,495)
VTB mortgage payable - Investment in Land Development Joint Venture	f	2,890	5,780
Unamortized portion of the discount on this VTB		(170)	(525)
Subtotal		41,867	52,406
Unamortized deferred fees on loan and credit facilities		(598)	(859)
Total loan and credit facilities		136,441	133,494
Weighted average interest rate of loan agreements with financial institution		4.89%	6.05%

The Corporation has granted general security agreements on all property of the Corporation, its subsidiaries and its controlled entities, in addition to specific security mentioned below.

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 plus 1.65%. This facility is secured by specific dedicated lands and a general corporate charge on all assets of the Corporation. This facility matures on February 1, 2027.

b) Demand land project servicing and operating lines

Partnerships have eight demand land project servicing and operating lines relating to three communities with two major Canadian chartered banks at an interest rate per annum between prime and prime plus 0.50%. These facilities are secured by real estate held for development and sale with a carrying value of \$97,513 and a Genesis corporate guarantee. These facilities mature between July 31, 2026 and November 17, 2028.

c) Demand operating line for single-family homes and lots

Genesis has a demand operating credit facility of \$40,000 with a major Canadian chartered bank at an interest rate per annum of prime plus 0.50%. This facility is secured by housing projects under development with the home building division and a Genesis corporate guarantee. The facility is renewed annually. In August 2025, the facility limit was increased to \$40,000 from \$25,000 and the interest rate decreased to prime plus 0.50% from prime plus 0.75%.

d) Demand operating line - CBLP

CBLP has a demand operating credit facility of \$31,523 with a major Canadian financial institution at an interest rate per annum of prime minus 0.45%. This facility is secured by the project under development with a carrying value of \$5,034 and a Genesis corporate guarantee. This facility matures on November 10, 2027.

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12. LOAN AND CREDIT FACILITIES (continued)

e) VTB mortgages payable - Calgary SE Land Holdings

Genesis has two VTB mortgages payable on the purchase of 1,194-acres of development land in southeast Calgary. The VTB mortgages at 0% per annum are measured at amortized cost and whose fair value is based on discounted future cash flows, using an 8% discount rate. An \$18,088 VTB (entered on November 30, 2023) and a \$42,080 VTB (entered on June 7, 2024) were entered in partial payment for the purchase of 1,194 acres of development land in southeast Calgary, secured by these lands which have a total carrying value of \$68,970. The VTBs are to be paid in four annual installments commencing in November 2024 and ending in June 2028. Installments totaling \$11,523 have been paid in 2025 (2024 - \$4,522). During the year ended December 31, 2025, the Corporation incurred finance expenses of \$3,520 related to these VTBs (2024 - \$2,800).

f) VTB mortgage payable - Investment in Land Development Joint Venture

Genesis has a VTB mortgage payable on the investment of land development joint venture. The VTB at 0% per annum is measured at amortized cost and whose fair value is based on discounted future cash flows, using a 7% discount rate. The \$5,780 VTB was entered into on November 15, 2024, in partial payment for the investment in land development joint venture. The VTB is to be paid in two annual installments of \$2,890 each, on November 15, 2025 and November 15, 2026. Installment of \$2,890 has been paid in 2025 (2024 - \$Nil). During the year ended December 31, 2025, the Corporation incurred finance expenses of \$354 related to this VTB (2024 - \$46).

The Corporation, its subsidiaries and its controlled entities have various covenants in place with their lenders with respect to credit facilities including 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. As at December 31, 2025 and 2024, the Corporation, its subsidiaries and its controlled entities were in compliance with all loan covenants.

Based on the contractual terms, the Corporation's loan and credit facilities are to be repaid within the following time periods (excluding deferred fees on loan and credit facilities and unamortized portion of the discount on the VTB):

January 1, 2026 to December 31, 2026	65,256
January 1, 2027 to December 31, 2027	44,960
January 1, 2028 to December 31, 2028	31,970
	142,186

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13. CUSTOMER DEPOSITS

	2025	2024
Customer deposits on residential home sales	9,060	14,142
Customer deposits on residential lot and land parcel sales	174	5,435
	9,234	19,577

Customer deposits are amounts received upon signing of contracts for purchases of residential homes, lots and land parcels on which revenue recognition criteria have not yet been met.

14. PROVISION FOR FUTURE DEVELOPMENT COSTS

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

	Land Development	Home Building	Total
As at December 31, 2023	15,899	4,670	20,569
Additions	25,250	36,657	61,907
Changes to estimates	(1,933)	221	(1,712)
Development and construction activities	(9,793)	(34,735)	(44,528)
As at December 31, 2024	29,423	6,813	36,236
Additions	28,997	30,427	59,424
Changes to estimates	(284)	(2,063)	(2,347)
Development and construction activities	(14,513)	(28,987)	(43,500)
As at December 31, 2025	43,623	6,190	49,813

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15. SHARE CAPITAL

a) **Authorized**

Unlimited number of common shares without par value.

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

b) **Weighted average number of shares**

The following table sets forth the weighted average number of common shares outstanding for the year ended December 31, 2025 and 2024:

	2025	2024
Basic and diluted weighted average number of common shares	56,731,700	56,793,271

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

The Corporation renewed its NCIB on December 16, 2025. The renewed NCIB commenced on December 18, 2025 and will terminate on the earlier of: (i) December 17, 2026; 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 2,832,283 common shares under the NCIB.

The prior NCIB, which expired on December 17, 2025, allowed the Corporation to purchase for cancellation up to 2,839,275 common shares.

The following table sets forth the number of common shares repurchased and cancelled during the year ended December 31, 2025 and 2024 under the NCIB.

	2025	2024
Number of shares repurchased and cancelled	143,765	20,282
Reduction in share capital	211	30
Change in retained earnings	255	21
Reduction in shareholders' equity	466	51
Average purchase price per share	3.25	2.55

d) **Dividends paid**

	2025	2024
Dividends declared and paid	12,187	11,074
Dividends declared and paid - per share	0.215	0.195

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16. SHARE-BASED COMPENSATION

a) **DSU plan**

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

	2025	2024
DSUs outstanding - beginning of year	1,678,381	1,353,444
DSUs granted	129,923	324,937
DSUs redeemed	(239,060)	-
DSUs outstanding - end of year	1,569,244	1,678,381
DSUs vested - end of year	1,361,761	1,266,793

The December 31, 2025 outstanding liability related to DSUs which are cash settled is \$5,022 (December 31, 2024 - \$5,053) and is recorded in accounts payable and accrued liabilities. DSUs are measured at fair value at each reporting period on a mark-to-market basis.

Subsequent to December 31, 2025, the Corporation granted 9,230 DSUs at an average price of \$3.25 each.

b) **Share-based compensation expense**

	2025	2024
Share-based compensation expense	769	2,191

Share-based compensation was recorded and included as a part of general and administrative expense.

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17. GENERAL AND ADMINISTRATIVE

The general and administrative expense of the Corporation consisted of the following:

	2025	2024
Compensation and benefits	19,309	15,963
Share-based compensation	769	2,191
Corporate administration	4,988	3,988
Professional services	1,283	1,218
	26,349	23,360

Compensation and benefits of the directors and key management personnel, included in the general and administrative expenses above, were as follows:

	2025	2024
Salaries, wages and benefits	4,530	3,551
Share-based compensation	769	2,191
	5,299	5,742

18. SELLING AND MARKETING

Selling and marketing expenses of the Corporation consisted of the following:

	2025	2024
Advertising and marketing	5,960	4,457
Sales commissions	8,747	9,053
	14,707	13,510

19. FINANCE EXPENSE

Finance expense of the Corporation consisted of the following:

	2025	2024
Interest incurred	5,145	6,113
Interest relating to VTBs	3,874	2,846
Financing fees amortized	500	447
Interest and financing fees capitalized (note 5)	(1,156)	(1,498)
	8,363	7,908

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20. COMMITMENTS AND CONTINGENCIES

a) The Corporation has issued letters of credit and surety bonds pursuant to servicing agreements with municipalities to indemnify them in the event that the Corporation does not perform its contractual obligations. As at December 31, 2025, these commitments amounted to \$12,698 (December 31, 2024 - \$9,446).

b) The Corporation is committed to pay levies and municipal fees relating to signed municipal agreements on commencement of development of certain real estate assets with the following future payments:

January 1, 2026 to December 31, 2026	14,540
January 1, 2027 to December 31, 2027	10,200
January 1, 2028 to December 31, 2028	1,986
	26,726

c) The Corporation has contracted to acquire 204 residential lots in the Calgary Metropolitan Area for \$50,308 from third-party land developers. The Corporation has paid deposits totaling \$6,098 with the remainder being due as follows:

January 1, 2026 to December 31, 2026	9,474
January 1, 2027 to December 31, 2027	32,387
January 1, 2028 to December 31, 2028	2,349
	44,210

d) In October 2024, the Corporation signed a 10-year lease for its new head office location. The current sublease expires in February 2027. The newly signed lease commences in March 2027 and expires in December 2037 with payments relating to variable operating costs, base rent and parking over the term of the lease, amounting to \$8,394.

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21. FINANCIAL INSTRUMENTS

The fair values of cash and cash equivalents, restricted cash, accounts payable and accrued liabilities approximate their carrying values as they are typically expected to be settled within 12 months. The fair value of deposits approximates their carrying value as the terms of deposits are comparable to the market terms for similar instruments.

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

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

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

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

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

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

The Corporation's current financial assets are measured at amortized cost or fair value through profit and loss ("FVTPL"). The estimated fair value of financial assets and liabilities measured at FVTPL as at December 31, 2025 and December 31, 2024 are presented in the following table:

	Fair Value Hierarchy	Measurement Basis	Carrying Value		Fair Value	
			As at Dec. 31, 2025	As at Dec. 31, 2024	As at Dec. 31, 2025	As at Dec. 31, 2024
Financial Assets						
Cash	Level 1	FVTPL	17,511	21,414	17,511	21,414
Investments in land development entities	Level 3	FVTPL	24,409	26,551	24,409	26,551
Restricted cash ⁽¹⁾	Level 1	FVTPL	429	433	429	433
Financial Liabilities						
Cash settled DSUs ⁽²⁾	Level 1	FVTPL	5,022	5,053	5,022	5,053

⁽¹⁾ Included in other operating assets.

⁽²⁾ Included in accounts payable and accrued liabilities.

During the year ended December 31, 2025 and 2024, no transfers were made between the levels in the fair value hierarchy.

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21. FINANCIAL INSTRUMENTS (continued)

a) Risks associated with financial instruments

(i) Credit risk

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

Recovery of bad debt expense is included in the Corporation's general and administrative expenses. In order to mitigate credit risk, the Corporation does not transfer title to sold residential lots until full payment is received. Individual balances due from customers as at December 31, 2025, which comprise greater than 10% of total amounts receivable totaled \$79,806 from four customers (December 31, 2024 - \$57,956 from four customers).

Aging of amounts receivable, none of which are past due, was as follows:

	2025	2024
Due on sold lots	90,736	64,384
Other receivables	4,326	1,979
	95,062	66,363

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21. FINANCIAL INSTRUMENTS (continued)

(ii) Liquidity risk

The contractual maturities of financial liabilities and other commitments as at December 31, 2025 were as follows:

	<1 Year	>1 Year	Total
Financial liabilities			
Accounts payable and accrued liabilities	29,354	-	29,354
Accounts payable related to residential lot purchases	48,341	19,772	68,113
Loan and credit facilities ⁽¹⁾ (note 12)	65,256	76,930	142,186
	142,951	96,702	239,653
Commitments			
Lease obligations (including variable operating costs)	236	8,432	8,668
Lot purchase contracts (note 20c)	9,474	34,736	44,210
Levies and municipal fees (note 20b)	14,540	12,186	26,726
	24,250	55,354	79,604
	167,201	152,056	319,257

⁽¹⁾ Excluding deferred fees on loan and credit facilities and unamortized portions of the discount on the VTBs

As at December 31, 2025, the Corporation had obligations due within the next 12 months of \$167,201 (December 31, 2024 - \$145,393). Based on the Corporation's operating history, its relationship with its lenders and committed sales contracts, management believes that the Corporation has the ability to continue to renew or repay its financial obligations as they come due. During the year ended December 31, 2025, three existing demand land project servicing and operating facilities were amended and another three demand land project servicing and operating facilities totaling \$38,215 were put in place (note 12b). The Corporation increased its housing project operating line from \$25,000 to \$40,000 and reduced the interest rate from prime plus 0.75% to prime plus 0.50% (note 12c) and put in place another demand operating credit facility of \$31,523 (note 12d). Subsequent to December 31, 2025, the facility limits for demand land project servicing and operating facilities were decreased from \$118,673 to \$113,792 (note 12b).

(iii) Market risk

The Corporation is exposed to interest rate risk to the extent that certain agreements receivable and certain loan and credit facilities are at a floating rate of interest. A 1% change in interest rates would result in a change in interest incurred of approximately \$952 annually on floating rate facilities (2024 - \$819).

b) Capital management

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

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

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

	2025	2024
Loan and credit facilities (note 12)	136,441	133,494
Shareholders' equity	298,488	266,480
	434,929	399,974

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22. SEGMENTED INFORMATION

The income producing business units of the Corporation reported the following activities for the year ended December 31, 2025 and 2024:

Year ended December 31, 2025	Land Development Segment			Total	Home Building Segment	Intersegment Elimination	Total
	Genesis ⁽¹⁾	Other LP's	Intrasegment Elimination				
Revenues	155,484	74	(2,946)	152,612	274,928	(46,381)	381,159
Land parcel revenues	3,620	5,498	(5,498)	3,620	-	(3,620)	-
Direct cost of sales	(114,295)	(2,376)	2,677	(113,994)	(211,623)	45,922	(279,695)
Gross margin	44,809	3,196	(5,767)	42,238	63,305	(4,079)	101,464
Unrealized gain - investments in land development entities	1,432	-	-	1,432	-	-	1,432
G&A, selling & marketing and net finance expense	(22,305)	(55)	2,946	(19,414)	(28,966)	-	(48,380)
Earnings before income taxes and non-controlling interest	23,936	3,141	(2,821)	24,256	34,339	(4,079)	54,516
Segmented assets as at December 31, 2025	441,947	32	(9,210)	432,769	230,384	(40,869)	622,284
Segmented liabilities as at December 31, 2025 ^{(2), (3)}	195,013	32	(3,842)	191,203	135,997	(32,279)	294,921
Segmented net assets as at December 31, 2025 ^{(2), (3)}	246,934	-	(5,368)	241,566	94,387	(8,590)	327,363

Year ended December 31, 2024	Land Development Segment			Total	Home Building Segment	Intersegment Elimination	Total
	Genesis ⁽¹⁾	Other LP's	Intrasegment Elimination				
Revenues	127,915	4	-	127,919	258,265	(42,654)	343,530
Land parcel revenues	17,531	-	-	17,531	-	-	17,531
Direct cost of sales	(108,729)	-	-	(108,729)	(193,951)	38,143	(264,537)
Gross margin	36,717	4	-	36,721	64,314	(4,511)	96,524
Unrealized gain - investments in land development entities	2,326	-	-	2,326	-	-	2,326
G&A, selling & marketing and net finance expense	(17,297)	(71)	-	(17,368)	(25,636)	-	(43,004)
Earnings (loss) before income taxes and non-controlling interest	21,746	(67)	-	21,679	38,678	(4,511)	55,846
Segmented assets as at December 31, 2024	444,333	2,329	(5,174)	441,488	186,996	(50,766)	577,718
Segmented liabilities as at December 31, 2024 ^{(2), (3)}	216,753	835	(726)	216,862	119,913	(46,255)	290,520
Segmented net assets as at December 31, 2024 ^{(2), (3)}	227,580	1,494	(4,448)	224,626	67,083	(4,511)	287,198

⁽¹⁾ Includes LLLP, HLLP and HZLP.

⁽²⁾ Segmented liabilities under the Genesis home building segment include \$326 due to the land development segment (December 31, 2024 - \$24,092 due from the land development segment to the home building segment).

⁽³⁾ Segmented liabilities relating to LLLP, HLLP, HZLP and other limited partnerships comprise of accounts payable and accrued liabilities and includes \$3,423 due to Genesis (December 31, 2024 - \$2,662).

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23. LAND DEVELOPMENT PARTNERSHIPS

a) In December 2022, the Corporation entered into binding agreements to sell a 20% ownership stake in LLLP to each of two Calgary based third party home builders. LLLP owns 130 acres of residential development land located in the Keystone Area Structure Plan (“ASP”) on the north side of the City of Calgary. The transaction closed on January 16, 2023, for consideration for each 20% ownership stake of \$5,880 (net of assumption of debt of \$4,000 each) resulting in gross proceeds for the sale of a 40% ownership interest of \$11,760 (net of assumption of debt of \$8,000). As at December 31, 2025, LLLP accounts for \$13,871 of the NCI on the consolidated balance sheets (2024 - \$12,701) and \$1,170 on the consolidated statements of comprehensive income (2024 - \$4,263).

b) In May 2024, the Corporation entered into binding agreements to sell a 20% ownership stake in HLLP to each of two Calgary based third party home builders. HLLP owns 161 acres of residential development land located in the Belvedere ASP on the east side of the City of Calgary. The transaction closed on December 13, 2024, for consideration for each 20% ownership stake of \$7,720 (net of assumption of debt of \$3,000 each) resulting in gross proceeds for the sale of a 40% ownership interest of \$15,440 (net of assumption of debt of \$6,000). As at December 31, 2025, HLLP accounts for \$8,342 of the NCI on the consolidated balance sheets (2024 - \$6,523) and \$1,819 on the consolidated statements of comprehensive income (2024 - \$Nil).

c) In December 2025, the Corporation entered into binding agreements to sell a 20% ownership stake in HZLP to each of two Calgary based third party home builders. HZLP owns 160 acres of residential development land located in the South Shepard ASP on the southeast side of the City of Calgary. The transaction closed on December 17, 2025, for consideration for each 20% ownership stake of \$6,850 (net of assumption of debt of \$2,700 each) resulting in gross proceeds for the sale of a 40% ownership interest of \$13,700 (net of assumption of debt of \$5,400). As at December 31, 2025, HZLP accounts for \$6,662 of the NCI on the consolidated balance sheets (2024 - \$Nil) and \$Nil on the consolidated statements of comprehensive income (2024 - \$Nil).

24. RELATED PARTY TRANSACTIONS

Transactions occurred with the following related parties:

In 2005, the Corporation sold a 49% undivided interest in approximately 610 acres to Genesis Limited Partnership #4 and GLP5 NE Calgary Development Inc. (collectively, “LP4/5 group”) for \$7,670. Since 2022, the Corporation has been repurchasing from LP4/5 group their undivided interest in these lands. In June 2025, the Corporation paid \$5,498 to acquire the remainder of the undivided interest in these lands resulting in Genesis holding a 100% interest in both the 425-acre North Conrich and 185-acre OMNI projects. NCI portion as a result of this transaction was \$4,988.

25. CONSOLIDATED ENTITIES

The Statements include the accounts of the Corporation and its wholly-owned subsidiaries, as well as the consolidated revenues, expenses, assets, liabilities and cash flows of limited partnership entities that the Corporation controls. The Corporation has majority ownership positions in LLLP, HLLP and HZLP and in other limited partnership entities. The Corporation has control over these entities’ activities, projects, financial and operating policies due to contractual arrangements. As such, the relationship between the Corporation and the limited partnership entities indicates that they are controlled by the Corporation. Accordingly, the accounts of the limited partnerships have been consolidated in the Corporation’s financial statements.

Genesis Limited Partnership #4 is a limited partnership that was controlled by the Corporation. This limited partnership no longer has any assets and has been wound up as of December 31, 2025.

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25. CONSOLIDATED ENTITIES (continued)

All entities are incorporated in Canada and are listed in the following table:

Name	% equity interest as at	
	December 31, 2025	December 31, 2024
Land Development Segment		
Genpol Inc.	100%	100%
Genpol LP	100%	100%
1504431 Alberta Ltd.	100%	100%
Genesis Sage Meadows Partnership	100%	100%
Polar Hedge Enhanced Income Trust	100%	100%
Genesis Land Development (Ricardo Ranch) Corp.	100%	100%
Sage Hill Crest Apartments Corp.	100%	100%
Siseneg Holding Inc.	100%	100%
GLDC Management Inc.	100%	100%
Lewiston Lands Limited Partnership (note 23)	60%	60%
Lewiston Lands GP Inc.	100%	100%
Huxley Lands Limited Partnership (note 23)	60%	60%
Huxley Lands GP Inc.	100%	100%
Hazel Lands Limited Partnership (note 23)	60%	-
Hazel Lands GP Inc.	100%	-
GP GLP8 Inc.	100%	100%
GP LPLP 2007 Inc.	100%	100%
Sage Hill Estates Apartments LP	49%	49%
Sage Hill Estates Apartments GP Inc.	50%	50%
Kinwood Communities Inc.	50%	50%
Home Building Segment		
Genesis Builders Group Inc.	100%	100%
Cobalt Bay Limited Partnership	100%	-
Cobalt Bay GP Inc.	100%	-
Other		
LP 4/5 Group		
Genesis Limited Partnership #4 ⁽¹⁾	-	0.001%
Genesis Northeast Calgary Ltd.	100%	100%

⁽¹⁾ The allocation of profit or loss is 0% in accordance with the terms of the limited partnership agreement.

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25. CONSOLIDATED ENTITIES (continued)

The following tables summarize the information relating to the Corporation's controlled entities that have non-controlling interests and may include inter-group balances that are eliminated on consolidation and become a component of the net non-controlling interest:

BALANCE SHEETS

	LLL	HLL	HZL	LP4/5	Total
Assets					
Real estate held for development and sale	27,813	36,222	34,764	-	98,799
Amounts receivable	42,413	26,167	169	-	68,749
Other operating assets including restricted cash	-	-	-	1	1
Due from related parties	-	-	-	31	31
Cash and cash equivalents	3,735	513	44	-	4,292
Total assets	73,961	62,902	34,977	32	171,872
Liabilities					
Loan and credit facilities	16,528	30,350	16,449	-	63,327
Accounts payable and accrued liabilities	925	2,104	319	32	3,380
Due to related parties	143	1,502	1,809	-	3,454
Provision for future development costs	21,876	9,264	-	-	31,140
Total liabilities	39,472	43,220	18,577	32	101,301
Net assets as at December 31, 2025	34,489	19,682	16,400	-	70,571
Non-controlling interest (%) as at December 31, 2025	40%	40%	40%	100%	
Net assets as at December 31, 2024	31,566	15,134	-	1,494	48,194
Non-controlling interest (%) as at December 31, 2024	40%	40%	-	100%	

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25. CONSOLIDATED ENTITIES (continued)

SUMMARIZED STATEMENTS OF COMPREHENSIVE INCOME

Year ended December 31, 2025	LLL	HLL	HZL	LP4/5	Total
Revenue	35,660	46,847	-	5,572	88,079
Net income (loss)	2,923	4,549	(239)	3,141	10,374
Non-controlling interest (%) as at December 31, 2025	40%	40%	40%	100%	

Year ended December 31, 2024	LLL	HLL	HZL	LP4/5	Total
Revenue	63,552	-	-	4	63,556
Net income (loss)	10,659	(1,042)	-	(67)	9,550
Non-controlling interest (%) as at December 31, 2024	40%	40%	-	100%	

SUMMARIZED STATEMENT OF CASH FLOWS

Year ended December 31, 2025	LLL	HLL	HZL	LP4/5	Total
Cash flows from (used in) operating activities	16,101	(636)	(16,115)	-	(650)
Net increase (decrease) in cash and cash equivalents	3,266	(272)	44	-	3,038

Year ended December 31, 2024	LLL	HLL	HZL	LP4/5	Total
Cash flows from (used in) operating activities	10,344	(11,194)	-	-	(850)
Net increase in cash and cash equivalents	173	785	-	-	958

26. SUBSEQUENT EVENTS

Subsequent to December 31, 2025, the following occurred:

The Corporation entered into a Credit Agreement for a \$105,000 secured revolving credit facility with a syndicate of Canadian financial institutions for an initial term of three years. The facility is comprised of a \$100,000 revolving loan for general corporate purposes including purchases of land, serviced lots, and land servicing activities and a \$5,000 letter of credit sub-facility. This will replace the current \$50,000 corporate revolving line of credit.