



GENESIS LAND DEVELOPMENT CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2018 and 2017
(Unaudited)

SECOND QUARTER

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

	Notes	June 30, 2018	December 31, 2017
Assets			
Real estate held for development and sale	4	212,007	200,757
Amounts receivable		18,930	30,820
Vendor-take-back mortgage receivable		21,219	20,558
Other operating assets		9,993	18,083
Deferred tax assets		9,125	7,622
Income tax recoverable		1,395	-
Cash and cash equivalents		12,468	23,585
Total assets		285,137	301,425
Liabilities			
Loans and credit facilities	5	21,090	30,135
Dividend payable		-	10,813
Customer deposits		4,409	4,629
Accounts payable and accrued liabilities		15,905	8,938
Income tax payable		-	2,785
Provision for future development costs		23,866	24,584
Total liabilities		65,270	81,884
Commitments and contingencies	7		
Subsequent events	5, 8, 13		
Equity			
Share capital		53,878	54,260
Retained earnings		147,645	147,137
Shareholders' equity		201,523	201,397
Non-controlling interest		18,344	18,144
Total equity		219,867	219,541
Total liabilities and equity		285,137	301,425

See accompanying notes to the condensed consolidated interim financial statements

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

For the three and six months ended June 30, 2018 and 2017

(In thousands of Canadian dollars except per share amounts)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2018	2017	2018	2017
Revenues					
Sales revenue		18,933	38,443	33,271	54,028
Other revenue		22	54	53	133
		18,955	38,497	33,324	54,161
Direct cost of sales		(13,382)	(27,297)	(23,325)	(37,549)
Write-down of real estate held for development and sale		(920)	(1,095)	(920)	(1,095)
		(14,302)	(28,392)	(24,245)	(38,644)
Gross margin		4,653	10,105	9,079	15,517
General and administrative		(2,604)	(2,656)	(5,302)	(6,166)
Selling and marketing		(1,071)	(1,253)	(1,852)	(1,853)
		(3,675)	(3,909)	(7,154)	(8,019)
Earnings from operations		978	6,196	1,925	7,498
Finance income		370	3	774	19
Finance expense		(363)	(615)	(687)	(1,240)
Earnings before income taxes		985	5,584	2,012	6,277
Income tax expense		(329)	(1,372)	(585)	(1,358)
Net earnings being comprehensive earnings		656	4,212	1,427	4,919
Attributable to non-controlling interest		116	3	200	6
Attributable to equity shareholders		540	4,209	1,227	4,913
Net earnings per share – basic and diluted		0.01	0.09	0.03	0.11

See accompanying notes to the condensed consolidated interim financial statements

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

For the three and six months ended June 30, 2018 and 2017

(In thousands of Canadian dollars except number of shares)

	Equity attributable to Corporation's shareholders				Non-Controlling Interest	Total Equity
	Common shares - Issued		Retained Earnings	Total Shareholders' Equity		
	Number of Shares	Amount				
At December 31, 2016	43,745,806	54,888	150,863	205,751	5,914	211,665
Normal course issuer bid ("NCIB") (Note 6c)	(475,625)	(606)	(787)	(1,393)	-	(1,393)
Net earnings being comprehensive earnings	-	-	4,913	4,913	6	4,919
At June 30, 2017	43,270,181	54,282	154,989	209,271	5,920	215,191
At December 31, 2017	43,252,721	54,260	147,137	201,397	18,144	219,541
Normal course issuer bid ("NCIB") (Note 6c)	(300,000)	(382)	(719)	(1,101)	-	(1,101)
Net earnings being comprehensive earnings	-	-	1,227	1,227	200	1,427
At June 30, 2018	42,952,721	53,878	147,645	201,523	18,344	219,867

See accompanying notes to the condensed consolidated interim financial statements

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited)

For the three and six months ended June 30, 2018 and 2017

(In thousands of Canadian dollars)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2018	2017	2018	2017
Operating activities					
Receipts from residential lot and development land sales		11,121	13,166	17,179	18,689
Receipts from residential home sales		11,103	17,061	24,223	26,258
Other payments		(715)	(1,737)	(2,623)	(2,740)
Paid for land development		(3,530)	(2,807)	(4,552)	(5,780)
Paid for land acquisition		(5,124)	-	(5,124)	-
Paid for residential home construction		(9,136)	(9,117)	(16,291)	(16,647)
Paid to suppliers and employees		(3,363)	(3,464)	(6,799)	(6,930)
Interest received		38	3	113	19
Income taxes paid		(1,730)	(854)	(6,265)	(2,147)
Cash flows (used in) from operating activities		(1,336)	12,251	(139)	10,722
Investing activities					
Acquisition of equipment		(34)	(72)	(101)	(153)
Change in restricted cash		(26)	-	(26)	-
Cash flows (used in) investing activities		(60)	(72)	(127)	(153)
Financing activities					
Advances from loans and credit facilities	5	2,037	4,890	12,448	17,400
Repayments of loans and credit facilities		(2,955)	(9,988)	(13,990)	(21,877)
Payment on vendor-take-back mortgage payable		-	-	(8,000)	(8,000)
Interest and fees paid on loans and credit facilities		(70)	(47)	(208)	(117)
Repurchase and cancellation of shares under NCIB	6c	(1,101)	(92)	(1,101)	(1,393)
Cash flows (used in) financing activities		(2,089)	(5,237)	(10,851)	(13,987)
Change in cash and cash equivalents		(3,485)	6,942	(11,117)	(3,418)
Cash and cash equivalents, beginning of period		15,953	3,958	23,585	14,318
Cash and cash equivalents, end of period		12,468	10,900	12,468	10,900

See accompanying notes to the condensed consolidated interim financial statements

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

(Unaudited)

For the three and six months ended June 30, 2018 and 2017

(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 as Genesis Capital Corp. under the Business Corporation Act (Alberta) on December 2, 1997.

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

The Corporation is listed for trading on the Toronto Stock Exchange under the symbol "GDC". Genesis' head office and registered office are located at 7315 - 8th Street N.E., Calgary, Alberta T2E 8A2.

The condensed consolidated interim financial statements of Genesis were approved for issuance by the Board of Directors on August 14, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Corporation are the same as those applied in the Corporation's annual audited consolidated financial statements for the years ended December 31, 2017 and 2016 except as described in note 3. These policies have been consistently applied to each of the periods presented, unless otherwise indicated.

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

These Statements do not include all of the information required for annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements for the years ended December 31, 2017 and 2016.

3. NEW STANDARDS EFFECTIVE JANUARY 1, 2018

The Corporation adopted new IFRSs and interpretations as of January 1, 2018, as noted below:

i) *IFRS 15, "Revenue from contracts with customers"*

ii) *IFRS 9, "Financial instruments"*

Refer to note 3 in the condensed consolidated interim financial statements for the three months ended March 31, 2018 and 2017 which discusses these new IFRS and the impact of the application of IFRS 15 and IFRS 9.

In addition, refer to note 9 in the condensed consolidated interim financial statements for the three months ended March 31, 2018 and 2017 which shows the pre-transition IAS 39 and the post-transition IFRS 9 classification and measurement categories, and reconciles the IAS 39 and IFRS 9 carrying amounts as at January 1, 2018, as a result of adopting IFRS 9.

NEW ACCOUNTING PRONOUNCEMENTS

IFRS 16, "Leases"

On January 13, 2016, the IASB published a new standard, IFRS 16, "Leases". The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted but only if the entity is also applying IFRS 15, "Revenue from contracts with customers". Under the new standard, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly. The liability accrues interest.

The Corporation has not considered the impact of IFRS 16 on its financial statements and does not intend to early adopt IFRS 16.

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

(Unaudited)

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4. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

	Lots, Multifamily & Commercial Parcels	Land Held for Development	Home Building	Total	Limited Partnerships	Intra- segment Elimination	Consolidated Total
Gross book value							
As at December 31, 2017	38,530	143,884	20,156	202,570	15,253	(4,194)	213,629
Development activities	1,886	7,269	16,701	25,856	71	-	25,927
Transfer	6,576	(6,576)	-	-	-	-	-
Reclass from amounts receivable	3,710	-	-	3,710	-	-	3,710
Acquisition	5,200	-	-	5,200	-	-	5,200
Sold	(9,653)	-	(13,014)	(22,667)	-	-	(22,667)
As at June 30, 2018	46,249	144,577	23,843	214,669	15,324	(4,194)	225,799
Provision for write-downs							
As at December 31, 2017	-	8,744	-	8,744	4,128	-	12,872
Write-down of real estate held for development	-	920	-	920	-	-	920
As at June 30, 2018	-	9,664	-	9,664	4,128	-	13,792
Net book value							
As at December 31, 2017	38,530	135,140	20,156	193,826	11,125	(4,194)	200,757
As at June 30, 2018	46,249	134,913	23,843	205,005	11,196	(4,194)	212,007

During the three and six months ended June 30, 2018, interest of \$77 and \$152 (2017 - \$117 and \$223) was capitalized as a component of development activities.

During the three and six months ended June 30, 2018, the Corporation recorded a write-down of \$920 (2017 - \$ 1,075) due to costs capitalized during the period (mainly property taxes and interest) relating to a parcel of land held for development that is carried at net realizable value.

During the three and six months ended June 30, 2018 Genesis had entered into an agreement with the receiver of a third-party builder in a Genesis community, which was approved by the Alberta Court of Queen's Bench. In accordance with this agreement, (1) the agreements to sell 23 lots to the builder, with amounts receivable of \$3,710, were cancelled and the lots were returned to Genesis, (2) Genesis re-purchased from the builder 31 lots for \$5,200 for which it had received full payment, and acquired that builder's work in progress on these lots and on the 23 returned lots. Genesis acquired all assets free and clear of any liabilities including any builders' liens obligations. The transaction closed in May 2018.

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5. LOANS AND CREDIT FACILITIES

	June 30, 2018	December 31, 2017
Secured by agreements receivable and real estate held for development and sale		
(a) Demand land project servicing loans from major Canadian chartered banks, payable on collection of agreements receivable, bearing interest of prime +0.75% per annum, secured by real estate held for development and sale with a carrying value of \$48,744, due between December 30, 2020 and July 4, 2021. Subsequent to June 30, 2018, the Corporation renewed two loan facilities that had due dates in April and May 2018. The loan facilities had no outstanding balance as at June 30, 2018.	-	6,164
Secured by real estate held for development and sale		
(b) Vendor-take-back mortgage payable ("VTB") at 0% per annum is measured at amortized cost and whose fair value is based on discounted future cash flows, using an 8% discount rate. The \$40,000 VTB was entered into on January 6, 2015 in partial payment for the purchase of southeast Calgary lands and is secured by these lands which have a carrying value of \$45,056. The VTB is to be paid in five annual installments of \$8,000 each, commencing January 6, 2016 and ending January 6, 2020.	16,000	24,000
Unamortized portion of the discount on the VTB.	(1,203)	(1,792)
(c) Demand operating line of credit up to \$10,000 from a major Canadian chartered bank, bearing interest at prime +1.00% per annum, secured by real estate held for development and sale with a carrying value of \$12,840 due on March 31, 2019.	-	-
Secured by housing projects under development		
(d) Demand operating line of credit from a major Canadian chartered bank up to \$6,500, bearing interest at prime +0.75% per annum, secured by a general security agreement over assets of the home building division.	-	-
(e) Demand project specific townhouse construction loans from a major Canadian chartered bank, payable on collection of sale and closing proceeds, bearing interest at prime +0.90% per annum, secured by the project with a carrying value of \$8,135, due between March 28, 2020 and August 31, 2020.	6,519	1,896
	21,316	30,268
Deferred fees on loans and credit facilities	(226)	(133)
	21,090	30,135

A lender has a general security agreement on all property of the Corporation and its subsidiaries, in addition to specific security mentioned above.

The weighted average interest rate of loan agreements with financial institutions was 4.35% (December 31, 2017 - 3.99%) based on June 30, 2018 balances.

During the three and six months ended June 30, 2018, the Corporation received advances of \$2,037 and \$12,448 (2017 - \$4,890 and \$17,400) relating to various existing loan facilities secured by agreements receivable, real estate held for development and sale and housing projects under development, bearing interest ranging from prime +0.75% to prime +1.00% per annum, with due dates ranging from March 31, 2019 to July 4, 2021.

The VTB at 0% per annum is measured at amortized cost and its fair value is based on discounted future cash flows using an 8% discount rate, resulting in interest expense of \$294 and \$589 (2017 - \$426 and \$851) for the three and six months ended June 30, 2018 respectively.

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(Unaudited)

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5. LOANS AND CREDIT FACILITIES (continued)

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

July 1, 2018 to June 30, 2019	7,679
July 1, 2019 to June 30, 2020	10,061
July 1, 2020 to June 30, 2021	3,576
	21,316

As at June 30, 2018 and at December 31, 2017, the Corporation and its controlled entities were in compliance with all loan covenants.

6. SHARE CAPITAL

a) **Authorized**

Unlimited number of common shares without par value.

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

b) **Weighted average number of shares**

The following table sets forth the weighted average number of common shares outstanding for the three and six months ended June 30, 2018 and 2017:

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Basic and diluted weighted average number of common shares	43,153,820	43,290,360	43,202,997	43,514,811

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

The Corporation's current NCIB commenced on September 12, 2017 and terminates on the earlier of September 11, 2018 and the date on which the maximum number of common shares are purchased pursuant to the bid. The Corporation may purchase for cancellation up to 2,163,022 common shares under this NCIB.

The following table sets forth the number of common shares repurchased and cancelled during the three and six months ended June 30, 2018 and 2017 under the NCIB.

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Number of shares repurchased and cancelled	300,000	28,176	300,000	475,625
Reduction in share capital	382	36	382	606
Reduction in retained earnings	719	56	719	787
Reduction in shareholders' equity	1,101	92	1,101	1,393
Average purchase price per share	3.67	3.31	3.67	2.93

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

(Unaudited)

For the three and six months ended June 30, 2018 and 2017

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7. COMMITMENTS AND CONTINGENCIES

Other than the commitments and contingencies discussed below and in the notes to the annual audited consolidated financial statements for the years ended December 31, 2017 and 2016, there were no other material commitments or contingencies as at June 30, 2018.

- a) The Corporation has issued letters of credit pursuant to servicing agreements with municipalities to indemnify them in the event that the Corporation does not perform its contractual obligations. As at June 30, 2018, the letters of credit amounted to \$4,231 (December 31, 2017 – \$5,491).
- b) The Corporation has office and other operating leases with the following annual payments: not later than one year - \$534; later than one year but not later than five years - \$702; and later than five years - Nil.

8. PROVISION FOR LITIGATION

Two former employees filed a statement of claim against the Corporation and a director on May 27, 2016 alleging wrongful termination of their employment and seeking damages, legal costs and other relief arising out of the termination of their employment contracts with the Corporation. The aggregate amount of the claim is approximately \$1,600 and the Corporation recorded this amount as a provision as at December 31, 2017. In 2017, the former employees brought a motion before a Master in Chambers of the Court of Queen's Bench of Alberta for summary judgment asking for awards of liquidated damages, being the amount of their severance entitlements set out in their employment contracts. On April 24, 2017, the Master granted the former employees' application for summary judgment. The Corporation filed a Notice of Appeal on April 28, 2017. The appeal was heard in August 2018 and judgement was reserved. On March 8, 2018, the two former employees served an application for leave to amend their claim to add claims in the amount of \$1,100 plus costs and interest in connection with a disputed purported exercise of stock options. The matter has not yet been addressed by the courts. The Corporation intends to vigorously defend against these claims.

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

(Unaudited)

For the three and six months ended June 30, 2018 and 2017

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9. FINANCIAL INSTRUMENTS

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

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

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 as at June 30, 2018 and December 31, 2017 are presented in the following table:

	Measurement Basis	Carrying Value		Fair Value	
		As at June 30, 2018	As at Dec. 31, 2017	As at June 30, 2018	As at Dec. 31, 2017
Financial Assets					
Cash	FVTPL	12,468	23,585	12,468	23,585
Cash equivalents	Amortized cost	-	-	-	-
Deposits	Amortized cost	5,490	2,674	5,490	2,674
Restricted cash	FVTPL	3,625	3,773	3,625	3,773
Amounts receivable	Amortized cost	18,930	30,820	18,432	30,192
Vendor-take-back mortgage receivable	Amortized cost	21,219	20,558	21,219	20,558
Financial Liabilities					
Accounts payable and accrued liabilities	Amortized cost	15,905	8,938	15,905	8,938
Loans and credit facilities, excluding deferred loans and credit facilities fees	Amortized cost	21,316	30,268	21,316	30,268

During the three and six months ended June 30, 2018 and 2017, no transfers were made between the levels in the fair value hierarchy.

Cash and cash equivalents, deposits and restricted cash are classified under Level 1 of the hierarchy.

The fair values of the Corporation's amounts receivable, vendor-take-back mortgage receivable, accounts payable and accrued liabilities and loans and credit facilities are classified as Level 2 of the hierarchy.

GENESIS LAND DEVELOPMENT CORP.
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(Unaudited)

For the three and six months ended June 30, 2018 and 2017

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10. SEGMENTED INFORMATION

The income producing business units of the Corporation reported the following activities for the three and six months ended June 30, 2018 and 2017:

Three months ended June 30, 2018	Land Development Segment			Total	Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination				
Revenues	12,132	9	-	12,141	10,859	(4,045)	18,955
Direct cost of sales	(8,112)	(1)	-	(8,113)	(9,314)	4,045	(13,382)
Write-down of real estate held for development and sale	(920)	-	-	(920)	-	-	(920)
Gross margin	3,100	8	-	3,108	1,545	-	4,653
G&A, selling & marketing and net finance expense or income	(1,574)	109	-	(1,465)	(2,203)	-	(3,668)
Earnings (loss) before income taxes and non-controlling interest	1,526	117	-	1,643	(658)	-	985

Three months ended June 30, 2017	Land Development Segment			Total	Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination				
Revenues	26,895	35	-	26,930	17,474	(5,907)	38,497
Direct cost of sales	(18,770)	22	-	(18,748)	(14,456)	5,907	(27,297)
Write-down of real estate held for development and sale	(1,075)	(20)	-	(1,095)	-	-	(1,095)
Gross margin	7,050	37	-	7,087	3,018	-	10,105
G&A, selling & marketing and net finance expense or income	(2,334)	(67)	-	(2,401)	(2,120)	-	(4,521)
Earnings (loss) before income taxes and non-controlling interest	4,716	(30)	-	4,686	898	-	5,584

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10. SEGMENTED INFORMATION (continued)

Six months ended June 30, 2018	Land Development Segment			Home Building Segment	Intersegment Elimination	Total	
	Genesis	LP	Intrasegment Elimination				
Revenues	17,581	11	-	17,592	24,264	(8,532)	33,324
Direct cost of sales	(11,115)	(18)	-	(11,133)	(20,724)	8,532	(23,325)
Write-down of real estate held for development and sale	(920)	-	-	(920)	-	-	(920)
Gross margin	5,546	(7)	-	5,539	3,540	-	9,079
G&A, selling & marketing and net finance expense or income	(2,924)	207	-	(2,717)	(4,350)	-	(7,067)
Earnings (loss) before income taxes and non-controlling interest	2,622	200	-	2,822	(810)	-	2,012
Segmented assets as at June 30, 2018	243,830	32,476	(18,353)	257,953	30,415	(3,231)	285,137
Segmented liabilities as at June 30, 2018 ^{(1),(2)}	55,576	14,159	(14,159)	55,576	12,925	(3,231)	65,270
Segmented net assets as at June 30, 2018 ^{(1),(2)}	188,254	18,317	(4,194)	202,377	17,490	-	219,867

Six months ended June 30, 2017	Land Development Segment			Home Building Segment	Intersegment Elimination	Total	
	Genesis	LP	Intrasegment Elimination				
Revenues	35,698	44	-	35,742	26,494	(8,075)	54,161
Direct cost of sales	(23,836)	22	-	(23,814)	(21,810)	8,075	(37,549)
Write-down of real estate held for development and sale	(1,075)	(20)	-	(1,095)	-	-	(1,095)
Gross margin	10,787	46	-	10,833	4,684	-	15,517
G&A, selling & marketing and net finance expense or income	(3,960)	(656)	-	(4,616)	(4,624)	-	(9,240)
Earnings (loss) before income taxes and non-controlling interest	6,827	(610)	-	6,217	60	-	6,277
Segmented assets as at December 31, 2017	264,021	31,743	(17,804)	277,960	26,531	(3,066)	301,425
Segmented liabilities as at December 31, 2017 ^{(1),(2)}	76,638	13,625	(13,610)	76,653	8,297	(3,066)	81,884
Segmented net assets as at December 31, 2017 ^{(1),(2)}	187,383	18,118	(4,194)	201,307	18,234	-	219,541

⁽¹⁾ Segmented liabilities under the Genesis home building segment include \$1,071 due to the land development segment (December 31, 2017 – due from home building segment to land development segment - \$878).

⁽²⁾ Segmented liabilities under the LP segment is comprised of accounts payable and accrued liabilities and includes \$14,159 (December 31, 2017 - \$13,610) due to Genesis.

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

(Unaudited)

For the three and six months ended June 30, 2018 and 2017

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

11. RELATED PARTY TRANSACTIONS

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Fees for services provided by a corporation controlled by an officer and director	85	86	170	179
			June 30, 2018	Dec. 31, 2017
Amounts in accounts payable and/or accrued liabilities			21	22

12. CONSOLIDATED ENTITIES

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. The Corporation has less than 50% equity ownership in these limited partnership entities; however, the Corporation has control over these entities' activities, projects, financial and operating policies due to contractual arrangements. As such, the relationship between the Corporation and the limited partnership entities indicates that they are controlled by the Corporation. Accordingly, the accounts of the limited partnerships have been consolidated in the Corporation's financial statements. Subsidiaries of the Corporation are general partners in three limited partnership group structures.

Limited Partnership Land Pool (2007) has a loan amounting to \$12,716 (December 31, 2017 - \$12,272) due to the Corporation, which is secured by a charge on a \$20,500 vendor-take-back mortgage receivable.

13. SUBSEQUENT EVENTS

On July 30, 2018, the Corporation completed the sale of a 1.8 acre commercial parcel of land in the Calgary Metropolitan Area for \$2,688 which was paid in cash on closing.

On August 14, 2018, the Corporation's Board of Directors declared a special cash dividend of \$0.24 per common share for a total of approximately \$10,309 payable to shareholders of record on August 28, 2018, and will be paid on September 12, 2018.