



Genesis Reports 2018 Second Quarter Results and Declares \$10.3 million (\$0.24 per Share) Special Dividend

For Immediate Release

CALGARY, August 14, 2018 – Genesis Land Development Corp. (TSX: GDC) (the “Corporation” or “Genesis”) reported its financial and operating results for the three months (“Q2”) and six months (“H1”) ended June 30, 2018.

Key financial results and operating data for Genesis were as follows:

(\$000s, except for per share items or unless otherwise noted)	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Key Financial Data				
Total revenues	18,955	38,497	33,324	54,161
Direct cost of sales	(14,302)	(28,392)	(24,245)	(38,644)
Gross margin	4,653	10,105	9,079	15,517
Gross margin (%)	24.5%	26.2%	27.2%	28.6%
Net earnings 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
Cash flows (used in) from operating activities	(1,336)	12,251	(139)	10,722
Cash flows (used in) from operating activities per share - basic and diluted	(0.03)	0.28	0.00	0.25
Key Operating Data				
Land Development				
Total residential lots sold (units)	64	78	101	129
Residential lot revenues	12,141	17,930	17,592	26,742
Gross margin on residential lots sold	4,028	7,825	6,459	11,571
Gross margin (%) on residential lots sold	33.2%	43.6%	36.7%	43.3%
Average revenue per lot sold	190	230	174	207
Development and non-core land sold	-	9,000	-	9,000
Home Building				
Homes sold (units)	24	36	57	55
Revenues ⁽¹⁾	10,859	17,474	24,264	26,494
Gross margin on homes sold	1,545	3,018	3,540	4,684
Gross margin (%) on homes sold	14.2%	17.3%	14.6%	17.7%
Average revenue per home sold	452	485	426	482
Homes (with lots) subject to firm sale contracts (units) at the period end			37	50

Key Balance Sheet Data	As at Jun. 30, 2018	As at Dec. 31, 2017
Cash and cash equivalents	12,468	23,585
Total assets	285,137	301,425
Loans and credit facilities	21,090	30,135
Total liabilities	65,270	81,884
Shareholders' equity	201,523	201,397
Total equity	219,867	219,541
Loans and credit facilities (debt) to total assets	7%	10%

⁽¹⁾ Includes revenues of \$4,045,000 for 24 lots in Q2 2018 and \$8,532,000 for 57 lots in H1 2018 purchased by the Home Building division from the Land Development division (33 and \$5,907,000 in Q2 2017; 47 and \$8,075,000 in H1 2017) and sold with the home. These amounts are eliminated on consolidation.

Highlights of Second Quarter

In Q2 2018, Genesis' cash flow used in operating activities was (\$1,336,000) ((\$0.03) per share), compared to cash flow from operating activities of \$12,251,000 (\$0.28 per share) for the second quarter of 2017 ("Q2 2017"), a decrease of \$13,587,000 (\$0.31 per share). The difference was primarily due to a \$9,000,000 sale of development land in Q2 2017 with no corresponding sale in Q2 2018, and \$5,124,000 paid for the purchase of lots and work-in-progress from a third-party builder in receivership.

Net income for Q2 2018 was \$540,000 (\$0.01 per share), down from \$4,209,000 (\$0.09 per share) in Q2 2017 as a result of lower overall revenues. Revenues for Q2 2018 were \$18,955,000, down \$19,542,000 (51%) from \$38,497,000 in Q2 2017. Net income for H1 2018 was \$1,227,000 (\$0.03 per share) compared to \$4,913,000 (\$0.11 per share) in H1 2017.

Revenues for H1 2018 of \$33,324,000 were down \$20,837,000 (39%) compared to \$54,161,000 in H1 2017. This was primarily due to there being no development land sales in H1 2018, as well as fewer residential lot sales to third-party builders and lower revenues from home sales by the home building division.

The gross margin on residential lot sales in Q2 2018 was 33%, compared to 44% in Q2 2017, primarily due to the mix of sales by community and product/lot type, the nature and cost of the development work required to ready the lots for sale and the original cost of the land.

The gross margin of the homebuilding division was 14% in Q2 2018, down from 17% in Q2 2017 due to the adjustment of prices to reflect market conditions and the change in product mix to lower priced and lower margin single-family homes.

Total expenses for Q2 2018 were lower than in Q2 2017, with savings of \$234,000 (6%) realized in sales, general and administrative expenses and lower interest expense of \$252,000 (41%) due to lower average loan balances during Q2 2018 compared to Q2 2017.

Genesis' had \$12,468,000 in cash and cash equivalents at June 30, 2018, compared to \$23,585,000 as at December 31, 2017, the decrease being primarily due to the \$8,000,000 payment on the vendor-take-back mortgage payable in the first quarter of 2018. As a result of this payment, total loans and credit facilities as at June 30, 2018 were \$21,090,000, 30% lower than at December 31, 2017. Loans and credit facilities outstanding at June 30, 2018 were 7% of total assets, compared to \$30,135,000 or 10% of total assets at December 31, 2017.

SALE OF DEVELOPMENT LANDS

On July 30, 2018, the Corporation completed the sale of a 1.8 acre commercial parcel of land in the Calgary Metropolitan Area for \$2,688,000 which was paid in cash on closing. The Corporation also expects to complete the sale of another 7.8 acre multifamily parcel for \$7,810,000 in August 2018.

\$0.24 PER SHARE SPECIAL DIVIDEND DECLARED

The Board of Directors has declared a special cash dividend of \$0.24 per common share for a total of approximately \$10,309,000, payable to shareholders of record on August 28, 2018, and will be paid on September 12, 2018.

Dividend History and Share Buybacks

Since 2014 when it paid its first dividend, Genesis will have returned \$51.9 million, including the current dividend declared, to shareholders by way of dividends and bought back nearly 2 million common shares for approximately \$5.9 million under its normal course issuer bid (approximately 4.4% of the common shares outstanding at the commencement of the program in 2015).

<i>(\$000s, except for number of shares and per share items)</i>	Dividend per share	Total dividends	Shares repurchased and cancelled	Cost of repurchases
2018 (dividend will be paid on Sep. 12, 2018)	\$0.24	\$10,309	300,000	\$1,101
2017	0.46	19,896	493,085	1,456
2016	0.25	10,936	551,796	1,420
2015	0.12	5,331	628,598	1,887
2014	0.12	5,386	-	-
Total	\$1.19	\$51,858	1,973,479	\$5,864

Additional Information

The information contained in this press release should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2018 and 2017 and the related Management's Discussion and Analysis ("MD&A") dated August 14, 2018 which have been filed with Canadian securities regulatory authorities. Copies of these documents may be obtained via www.sedar.com or our website at www.genesisland.com.

About Genesis

Genesis Land Development Corp. is a land developer and residential home builder in the Calgary Metropolitan Area. The Corporation's common shares are listed on the Toronto Stock Exchange (TSX: GDC).

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ADVISORIES

Forward-Looking Statements

This news release may contain certain statements which constitute forward-looking statements or information ("forward-looking statements") within the meaning of applicable securities legislation, including Canadian Securities Administrators' National Instrument 51-102 'Continuous Disclosure Obligations', concerning the business, operations and financial performance and condition of Genesis. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Although Genesis believes that the anticipated future results, performance or achievements expressed or implied by forward-looking statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements because they involve assumptions, known and unknown risks, uncertainties and other factors many of which are beyond the Corporation's control, which may cause the actual results, performance or achievements of Genesis to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Accordingly, Genesis cannot give any assurance that its expectations will in fact occur and cautions that actual results may differ materially from those in the forward-looking statements.

Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to: the impact of contractual arrangements and incurred obligations on future operations and liquidity; local real estate conditions, including the development of properties in close proximity to Genesis' properties; the uncertainties of real estate development and acquisition activity; fluctuations in interest rates; ability to access and raise capital on favourable terms; not realizing on the anticipated benefits from transactions or not realizing on such anticipated benefits within the expected time frame; labour matters, governmental regulations, stock market volatility and other risks and factors described from time to time in the documents filed by Genesis with the securities regulators in Canada available at www.sedar.com, including the Corporation's MD&A under the heading "Risks and Uncertainties" and the AIF under the heading "Risk Factors". Furthermore, the forward-looking statements contained in this news release are made as of the date of this news release and, except as required by applicable law, Genesis does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.