

Genesis Reports 2019 First Quarter Results

For Immediate Release

CALGARY, May 3, 2019 – Genesis Land Development Corp. (TSX: GDC) (the “Corporation” or “Genesis”) reported its financial and operating results for the three months ended March 31, 2019 (“Q1 2019”). Genesis is a land developer and residential home builder operating in the Calgary Metropolitan Area (“CMA”), holding and developing a significant portfolio of well-located, entitled and unentitled residential, commercial and mixed-use lands and serviced lots in the CMA.

2019 Q1 Highlights:

- Positive cash flow from operating activities of \$4.6 million and net earnings of \$0.74 million;
- Solid financial position maintained with \$15.3 million in cash and cash equivalents and \$18.8 million in loans and credit facilities (being 7% of total assets) at March 31, 2019;
- In March, Genesis entered into a letter agreement for the proposed purchase of approximately 160 acres of development land for residential development in the CMA. The completion of this acquisition is subject to a number of conditions; and
- The four phase land development capital program that was initiated in 2018 is expected to be completed as part of the \$28.9 million to be invested in 2019 creating 362 single family lots and 6 multi-family sites.

Selected financial results and operating data:

	Three months ended March 31,	
	2019	2018
<i>(\$000s, except for per share items or unless otherwise noted)</i>		
Key Financial Data		
Total revenues	12,697	14,369
Net earnings attributable to equity shareholders	74	687
Net earnings per share - basic and diluted	0.00	0.02
Cash flows from operating activities	4,583	1,197
Cash flows from operating activities per share - basic and diluted	0.11	0.03
Key Operating Data		
Land Development		
Total residential lots sold (units)	33	37
Residential lot revenues	5,376	5,451
Home Building		
Homes sold (units)	26	33
Revenues ⁽¹⁾	11,086	13,405
New home orders at period end (units)	36	17

⁽¹⁾ Includes revenues of \$3,765,000 for 26 lots in Q1 2019 purchased by the Home Building division from the Land Development division (\$4,487,000 and 33 in Q1 2018) and sold with the home. These amounts are eliminated on consolidation

	As at Mar. 31, 2019	As at Dec. 31, 2018
<i>(\$000s, except for per share items or unless otherwise noted)</i>		
Key Balance Sheet Data		
Cash and cash equivalents	15,347	24,042
Total assets	262,929	278,156
Loans and credit facilities	18,840	31,696
Shareholders' equity	192,400	191,970
Loans and credit facilities (debt) to total assets	7%	11%

The first quarter of 2019 saw continued economic challenges in the Calgary region. The regional housing market is considered oversupplied, which has negatively impacted first quarter results for 2019 as compared to the same period in 2018.

Genesis experienced lower revenue in Q1 2019 compared to Q1 2018. Overall revenues for Q1 2019 were \$12,697,000, down \$1,672,000 (12%) from \$14,369,000 in Q1 2018. Home sales revenue in Q1 2019 was lower than in Q1 2018 by \$2,319,000 (17%) with 26 units sold (\$11,086,000) vs 33 units (\$13,405,000) in Q1 2018, while residential lots sales to third party builders increased by \$647,000 to 7 lots (\$1,611,000) in Q1 2019 from 4 lots (\$964,000) in Q1 2018. The lower revenue resulted in net earnings attributable to equity shareholders for Q1 2019 of \$74,000 (\$0.00 per share - basic and diluted) compared to \$687,000 (\$0.02 per share - basic and diluted) in Q1 2018.

Genesis generated positive cash flows from operating activities of \$4,583,000 (\$0.11 per share - basic and diluted) in Q1 2019, compared to cash flows from operating activities of \$1,197,000 (\$0.03 per share - basic and diluted) in Q1 2018.

Genesis had \$15,347,000 in cash and cash equivalents at March 31, 2019 compared to \$24,042,000 as at December 31, 2018 with the reduction due primarily to Genesis making an \$8,000,000 payment on a vendor-take-back mortgage payable in the first quarter of 2019. As a result of this payment, total loans and credit facilities outstanding at March 31, 2019 were \$18,840,000, 7% of the total book value of assets, compared to \$31,696,000 or 11% of the total book value of assets at December 31, 2018.

Outlook

In 2019, Genesis continues to implement its strategy focused on developing its assets in a prudent manner and actively market lots, parcels and homes while controlling costs with the goal of maximizing cash flow and maintaining its solid financial position. The first quarter of 2019 included 28 new home orders, an increase over the 19 new home orders in the first quarter of 2018. Outstanding new home orders stood at 36 at March 31, 2019 compared to 17 at March 31, 2018.

With the expected completion in 2019 of the development program for four new phases started in 2018, and with no additional phases planned to be started in 2019, Genesis expects to have sufficient lot inventory to meet market needs. Genesis will continue to actively pursue servicing and zoning approvals to maximize the value of its land holdings. The strong land base, integrated approach, solid financial position and experienced team positions Genesis to take advantage of opportunities that may arise in this environment.

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 months ended March 31, 2019 and 2018 and the related Management's Discussion and Analysis ("MD&A") dated May 3, 2019 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.

Genesis Annual Meeting

Genesis will hold its annual general meeting on May 9, 2019 at 1 pm MST in Calgary at the Genesis head office 7315 - 8th Street NE, Calgary AB T2E 8A2.

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ADVISORIES

Forward-Looking Statements

This news release contains certain statements which constitute forward-looking statements or information ("forward-looking statements") within the meaning of applicable securities legislation, including Canadian Securities Administrators' National Instrument 51-102 'Continuous Disclosure Obligations', concerning the business, operations and financial performance and condition of Genesis. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "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.

Forward-looking statements are based on material factors or assumptions made by us with respect to, among other things, opportunities that may or may not be pursued by us; changes in the real estate industry; fluctuations in the Canadian and Alberta economy; changes in the number of lots sold and homes delivered per year; and changes in laws or regulations or the interpretation or application of those laws and regulations. Forward-looking statements in this news release include, but are not limited to, the expected completion dates of various projects that the Corporation is currently engaged in, plans and strategies surrounding the acquisition of additional land, the proposed purchase of additional lands for future development in the CMA, anticipated general economic and business conditions, the Alberta real estate cycle, expectations for lot and home prices, construction starts and completions, anticipated expenditures on land development activities, being able to increase home sales process and construction margins, the timing of the annual meeting and the ability to continue to renew or repay financial obligations.

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; labor 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 in 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.