



GENESIS LAND DEVELOPMENT CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2019 and 2018
(Unaudited)

THIRD QUARTER

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

	Notes	September 30, 2019	December 31, 2018
Assets			(Audited)
Real estate held for development and sale	4	230,245	202,499
Amounts receivable		4,654	14,960
Vendor-take-back mortgage receivable	11	21,555	20,558
Other operating assets		5,358	4,416
Right-of-use assets		226	-
Deferred tax assets		9,818	9,398
Income tax recoverable		90	2,283
Cash and cash equivalents		8,968	24,042
Total assets		280,914	278,156
Liabilities			
Loans and credit facilities	5	36,762	31,696
Customer deposits		3,656	3,111
Accounts payable and accrued liabilities		11,996	12,679
Lease liabilities		263	-
Provision for future development costs		17,593	20,901
Total liabilities		70,270	68,387
Commitments and contingencies	9		
Subsequent events	15		
Equity			
Share capital		52,894	52,898
Contributed surplus		500	259
Retained earnings		138,826	138,813
Shareholders' equity		192,220	191,970
Non-controlling interest		18,424	17,799
Total equity		210,644	209,769
Total liabilities and equity		280,914	278,156

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 nine months ended September 30, 2019 and 2018
(In thousands of Canadian dollars except per share amounts)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2019	2018	2019	2018
Revenues					
Sales revenue		12,769	27,163	41,957	60,434
Other revenue		17	15	59	68
		12,786	27,178	42,016	60,502
Direct cost of sales		(8,538)	(22,468)	(28,347)	(45,793)
Write-down of real estate held for development and sale		-	-	(800)	(920)
		(8,538)	(22,468)	(29,147)	(46,713)
Gross margin		4,248	4,710	12,869	13,789
General and administrative		(2,660)	(2,365)	(7,710)	(7,667)
Selling and marketing		(1,080)	(1,443)	(3,127)	(3,295)
		(3,740)	(3,808)	(10,837)	(10,962)
Earnings from operations		508	902	2,032	2,827
Finance income		402	371	1,127	1,145
Finance expense		(315)	(398)	(866)	(1,085)
Earnings before income taxes		595	875	2,293	2,887
Income tax expense	8	(193)	(211)	(1,974)	(796)
Net earnings being comprehensive earnings		402	664	319	2,091
Attributable to non-controlling interest		102	125	302	325
Attributable to equity shareholders		300	539	17	1,766
Net earnings per share - basic and diluted		0.01	0.01	0.00	0.04

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 nine months ended September 30, 2019 and 2018

(In thousands of Canadian dollars except number of shares)

		Equity attributable to Corporation's shareholders						
		Common shares - Issued		Contributed Surplus	Retained Earnings	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
	Notes	Number of Shares	Amount					
At December 31, 2017		43,252,721	54,260	-	147,137	201,397	18,144	219,541
Share-based payments	7	-	-	21	-	21	-	21
Normal course issuer bid ("NCIB")	6c	(300,000)	(382)	-	(719)	(1,101)	-	(1,101)
Dividends	6d	-	-	-	(10,309)	(10,309)	-	(10,309)
Net earnings being comprehensive earnings		-	-	-	1,766	1,766	325	2,091
At September 30, 2018		42,952,721	53,878	21	137,875	191,774	18,469	210,243
At December 31, 2018		42,183,621	52,898	259	138,813	191,970	17,799	209,769
Share-based payments	7	-	-	241	-	241	-	241
Normal course issuer bid	6c	(3,300)	(4)	-	(4)	(8)	-	(8)
Net earnings being comprehensive earnings and other		-	-	-	17	17	625	642
At September 30, 2019		42,180,321	52,894	500	138,826	192,220	18,424	210,644

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 nine months ended September 30, 2019 and 2018
(In thousands of Canadian dollars)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2019	2018	2019	2018
Operating activities					
Receipts from residential lot sales		1,637	4,242	9,340	21,421
Receipts from development land sales		-	10,249	-	10,249
Receipts from residential home sales		13,101	14,146	39,876	38,369
Other receipts		167	3,003	(1,352)	380
Paid for land development		(7,762)	(6,678)	(16,517)	(11,230)
Paid for lots / land acquisition	4	(5,101)	-	(5,101)	(5,124)
Paid for residential home construction		(8,265)	(12,228)	(16,745)	(28,519)
Paid to suppliers and employees		(2,977)	(3,353)	(9,712)	(10,152)
Interest received		66	35	130	148
Income taxes payments		(942)	(1,722)	(201)	(7,987)
Cash flows from (used in) operating activities		(10,076)	7,694	(282)	7,555
Investing activities					
Acquisition of equipment		(52)	(108)	(194)	(209)
Change in restricted cash		-	10	-	(16)
Proceeds on disposal of property and equipment		-	5	-	5
Cash flows used in investing activities		(52)	(93)	(194)	(220)
Financing activities					
Advances from loans and credit facilities	5	3,775	11,361	9,451	23,809
Repayments of loans and credit facilities		(3,695)	(6,039)	(15,585)	(20,029)
Payment on vendor-take-back mortgage payable		-	-	(8,000)	(8,000)
Interest and fees paid on loans and credit facilities		(128)	(378)	(456)	(586)
Repurchase and cancellation of shares under NCIB	6c	-	-	(8)	(1,101)
Dividends paid	6d	-	(10,309)	-	(10,309)
Cash flows used in financing activities		(48)	(5,365)	(14,598)	(16,216)
Change in cash and cash equivalents		(10,176)	2,236	(15,074)	(8,881)
Cash and cash equivalents, beginning of period		19,144	12,468	24,042	23,585
Cash and cash equivalents, end of period		8,968	14,704	8,968	14,704

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 nine months ended September 30, 2019 and 2018

(All amounts 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 November 6, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, basis of measurement and use of judgements and estimates of the Corporation are the same as those applied in the Corporation's annual audited consolidated financial statements for the years ended December 31, 2018 and 2017 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, 2018 and 2017.

3. NEW STANDARDS EFFECTIVE JANUARY 1, 2019

The Corporation adopted new IFRSs and interpretations as of January 1, 2019, as noted below:

IFRS 16, "Leases"

Refer to note 3 in the condensed consolidated interim financial statements for the three months ended March 31, 2019 and 2018 which discusses this new IFRS and the impact of the application of IFRS 16.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
For the three and nine months ended September 30, 2019 and 2018
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4. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

	Lots, Multi-family & Commercial Parcels	Land Held for Development	Home Building	Total	Limited Partnerships	Intra-segment Elimination	Consolidated Total
Gross book value							
As at December 31, 2018	42,395	138,307	25,252	205,954	15,431	(4,194)	217,191
Development activities	5,087	7,787	19,382	32,256	147	-	32,403
Transfer	35,564	(35,564)	-	-	-	-	-
Acquisition	-	23,725	-	23,725	-	-	23,725
Sold	(7,302)	-	(20,280)	(27,582)	-	-	(27,582)
As at September 30, 2019	75,744	134,255	24,354	234,353	15,578	(4,194)	245,737
Provision for write-downs							
As at December 31, 2018	1,446	8,218	-	9,664	5,028	-	14,692
Write-down of real estate held for development and sale	193	607	-	800	-	-	800
As at September 30, 2019	1,639	8,825	-	10,464	5,028	-	15,492
Net book value							
As at December 31, 2018	40,949	130,089	25,252	196,290	10,403	(4,194)	202,499
As at September 30, 2019	74,105	125,430	24,354	223,889	10,550	(4,194)	230,245

During the three and nine months ended September 30, 2019, interest of \$8 and \$158 (2018 - \$39 and \$191) was capitalized as a component of development activities.

During the nine months ended September 30, 2019, the Corporation recorded a write-down of \$800 (2018 - \$920) due to costs capitalized during the period (primarily property taxes and planning costs) relating to a parcel of land held for development that is carried at net realizable value since December 2016.

During the three months ended September 30, 2019, the Corporation closed the purchase of 130 acres of future residential development land in north Calgary for \$23,725. The purchase was paid for with a cash payment of \$5,101 and a \$18,624 vendor-take-back mortgage with an interest rate of 5% per annum. The vendor-take-back mortgage is repayable in two installments of approximately \$9,312 each, in May 2021 and 2022.

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

(Unaudited)

For the three and nine months ended September 30, 2019 and 2018

(All amounts are in thousands of Canadian dollars except number of shares)

5. LOANS AND CREDIT FACILITIES

	September 30, 2019	December 31, 2018
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 at prime +0.75% per annum, secured by real estate held for development and sale with a carrying value of \$58,332, due between December 30, 2020 and July 4, 2021.	5,856	7,914
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 \$45,021. The VTB is to be paid in five annual installments of \$8,000 each, commencing January 6, 2016 and ending January 6, 2020.	8,000	16,000
Unamortized portion of the discount on the VTB.	(153)	(613)
(c) VTB at 5% per annum. The \$18,624 VTB was entered into on September 13, 2019 in partial payment for the purchase of approximately 130 acres of future residential development land in north Calgary and is secured by these lands which have a carrying value of \$24,084. The VTB is to be repaid in two installments of approximately \$9,312 each in May 2021 and 2022.	18,624	-
(d) 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 \$14,899 due on March 31, 2020.	-	-
Secured by housing projects under development		
(e) 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.	370	1,509
(f) 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 \$7,275, due between March 28, 2020 and August 31, 2020.	4,239	7,177
	36,936	31,987
Deferred fees on loans and credit facilities	(174)	(291)
	36,762	31,696

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 4.76% (December 31, 2018 - 4.76%) based on September 30, 2019 balances.

During the three and nine months ended September 30, 2019, the Corporation received advances of \$3,775 and \$9,451 (2018 - \$11,361 and \$23,809) 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 +0.90% per annum, with due dates ranging from March 28, 2020 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 \$153 and \$460 (2018 - \$295 and \$884) for the three and nine months ended September 30, 2019.

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

(Unaudited)

For the three and nine months ended September 30, 2019 and 2018

(All amounts are in thousands of Canadian dollars except number of shares)

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):

October 1, 2019 to September 30, 2020	12,456
October 1, 2020 to September 30, 2021	15,168
October 1, 2021 to September 30, 2022	9,312
	36,936

As at September 30, 2019 and at December 31, 2018, the Corporation and its subsidiaries 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 nine months ended September 30, 2019 and 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Basic	42,180,321	42,952,721	42,181,772	43,118,655
Effect of dilutive securities – stock options	-	40,655	-	62,688
Diluted	42,180,321	42,993,376	42,181,772	43,181,343

All 2,535,000 options outstanding as at September 30, 2019 (2018 - \$nil) were excluded in calculating diluted earnings per share for the three and nine months ended September 30, 2019 as their weighted average exercise price was higher than the average market price of the Corporation's shares during the period.

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

On October 8, 2019, the Corporation announced the renewal of its NCIB. The renewed NCIB commenced on October 10, 2019 and will terminate on the earlier of: (i) October 9, 2020; 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 2,109,016 common shares under the renewed NCIB.

The prior NCIB, which expired on October 9, 2019, allowed the Corporation to purchase for cancellation up to 2,147,636 common shares. The Corporation purchased a total of 772,400 common shares at an average price of \$3.12 per share under this NCIB.

The following table sets forth the number of common shares repurchased and cancelled during the three and nine months ended September 30, 2019 and 2018 under the NCIB.

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Number of shares repurchased and cancelled	-	-	3,300	300,000
Reduction in share capital	-	-	4	382
Reduction in retained earnings	-	-	4	719
Reduction in shareholders' equity	-	-	8	1,101
Average purchase price per share	-	-	2.54	3.67

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

(Unaudited)

For the three and nine months ended September 30, 2019 and 2018

(All amounts are in thousands of Canadian dollars except number of shares)

d) **Dividends**

No dividends were declared or paid in the three and nine months ended September 30, 2019 (2018 - \$10,309 and \$0.24 per share).

7. SHARE-BASED COMPENSATION

On September 20, 2018, the Corporation's Board of Directors adopted a new long-term incentive plan comprised of a stock option plan and a deferred share unit ("DSU") plan which was approved by the Corporation's shareholders on May 9, 2019.

a) **Stock Option Plan**

Share-based payments may be settled in cash or equity at the sole discretion of the Corporation and are accounted for as equity-settled plans. Stock options have a 7-year term and vest 25% on each of the first, second, third and fourth anniversary dates of the grant. Share-based compensation was recorded and included as a part of general and administrative expense.

Details of stock options are as follows:

	Nine months ended September 30,			
	2019		2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of period	2,025,000	\$3.36	-	-
Options forfeited	(270,000)	\$3.12	-	-
Options issued	780,000	\$3.11	1,350,000	\$3.48
Outstanding - end of period	2,535,000	\$3.31	1,350,000	\$3.48
Exercisable - end of period	337,500	\$3.48	-	-

Range of Exercise Prices (\$)	Outstanding		Exercisable		Weighted Average Remaining Contractual Life in Years
	Number at September 30, 2019	Weighted Average Exercise Price	Number at September 30, 2019	Weighted Average Exercise Price	
3.11 - 3.48	2,535,000	\$3.31	337,500	\$3.48	6.10

The following assumptions were used in estimating the fair value of options granted using the Black-Scholes Option-Pricing Model:

	2019	2018
Risk-free interest rate	1.50 - 1.59%	2.25 - 2.30%
Estimated term/period prior to exercise (years)	5.50	5.50
Volatility in the price of the Corporation's common shares	28.8 - 29.1%	25.6 - 28.1%
Forfeiture rate	0.00%	0.00%
Dividend yield rate	0.00%	0.00%

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

(Unaudited)

For the three and nine months ended September 30, 2019 and 2018

(All amounts are in thousands of Canadian dollars except number of shares)

7. SHARE-BASED COMPENSATION (continued)

b) Deferred Share Unit Plan (“DSU”)

The Corporation’s DSU plan provides DSUs to be issued to directors and designated employees. DSUs vest 25% on each of the first, second, third and fourth anniversary dates of the grant and shall not be redeemed except upon the occurrence of the earlier of any one of the following: the death of a participant; the retirement of a participant; or in the case of a designated employee, the termination of a participant. Details of the DSUs are as follows:

	Nine months ended September 30,	
	2019	2018
Outstanding - beginning of period	-	-
DSUs granted	70,941	-
Outstanding - end of period	70,941	-
Vested - end of period	-	-

The outstanding liability related to cash settled DSUs as at September 30, 2019 was \$66 (2018 - \$nil) and is recorded in accounts payable and accrued liabilities.

c) Share-based compensation expense recognized in the condensed consolidated interim statements of comprehensive income is comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Stock options	102	21	241	21
Deferred share units - cash settled grants	20	-	66	-
Total share-based compensation expense	122	21	307	21

8. INCOME TAX EXPENSE

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Current income tax expense	796	471	2,394	2,558
Deferred income recovery	(603)	(260)	(420)	(1,762)
Income tax expense	193	211	1,974	796

On June 28, 2019, legislation was enacted to decrease the Alberta corporate income tax rate from 12% to 8% with a 1% reduction effective July 1, 2019 and further 1% reductions on each of January 1, 2020, 2021 and 2022. As a result, during the three months ended June 30, 2019, deferred income tax assets were reduced by \$1,371 which was recognized as an increase in deferred income tax expense.

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

(Unaudited)

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9. 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, 2018 and 2017, there were no other material commitments or contingencies as at September 30, 2019.

- 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 September 30, 2019, the letters of credit amounted to \$4,795 (December 31, 2018 - \$6,358).
- 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 payments:

October 1, 2019 to September 30, 2020	6,406
October 1, 2020 to September 30, 2021	4,794
	<hr/> 11,200

- c) The Corporation is a co-defendant in a statement of claim initiated by a limited partner of Limited Partnership Land Pool ("LPLP 2007") and its affiliated RRSP limited partnerships. The statement of claim seeks to be certified as a class action and is seeking damages of \$60,000. Any potential liability to the Corporation and/or the Partnership is indeterminate, and no provision has been made. The Corporation's view is that this action is without merit and is actively contesting it. No significant developments occurred on this litigation claim in the three months and nine months ended September 30, 2019. Refer to Subsequent Events note 15a, for additional information.

10. PROVISION FOR LITIGATION

The Corporation is a defendant in a statement of claim against the Corporation alleging wrongful termination of employment. 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 March 2019, the plaintiffs amended their statement of 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 Corporation has not made any provision for this additional amount claimed. The Corporation's view is that this action is without merit and is actively contesting it. No significant developments occurred on this litigation claim in the three months ended September 30, 2019.

GENESIS LAND DEVELOPMENT CORP.
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(Unaudited)

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11. 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 values of the Corporation's loans 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.

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 September 30, 2019 and December 31, 2018 are presented in the following table:

	Fair Value Hierarchy	Measurement Basis	Carrying Value		Fair Value	
			As at Sept. 30, 2019	As at Dec. 31, 2018	As at Sept. 30, 2019	As at Dec. 31, 2018
Financial Assets						
Cash	Level 1	FVTPL	8,968	24,042	8,968	24,042
Cash equivalents	Level 1	Amortized cost	-	-	-	-
Deposits	Level 1	Amortized cost	2,176	2,648	2,176	2,648
Equity investment in land development limited partnership	Level 3	FVTPL	1,850	-	1,850	-
Restricted cash	Level 1	FVTPL	678	1,029	678	1,029
Amounts receivable	Level 2	Amortized cost	4,654	14,960	4,595	14,733
Vendor-take-back mortgage receivable	Level 2	Amortized cost	21,555	20,558	21,251	20,254
Financial Liabilities						
Accounts payable and accrued liabilities	Level 2	Amortized cost	11,996	12,679	11,996	12,679
Loans and credit facilities, excluding deferred loans and credit facilities fees	Level 2	Amortized cost	36,936	31,987	36,936	31,987

During the three and nine months ended September 30, 2019 and 2018, no transfers were made between the levels in the fair value hierarchy.

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12. SEGMENTED INFORMATION

The income producing business units of the Corporation reported the following activities for the three and nine months ended September 30, 2019 and 2018:

Three months ended September 30, 2019	Land Development Segment				Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination	Total			
Revenues	4,910	1	-	4,911	12,623	(4,748)	12,786
Direct cost of sales	(2,429)	-	-	(2,429)	(10,857)	4,748	(8,538)
Gross margin	2,481	1	-	2,482	1,766	-	4,248
G&A, selling & marketing and net finance expense or income	(1,624)	101	-	(1,523)	(2,130)	-	(3,653)
Earnings (loss) before income taxes and non-controlling interest	857	102	-	959	(364)	-	595

Three months ended September 30, 2018	Land Development Segment				Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination	Total			
Revenues	7,566	8	-	7,574	13,816	(4,710)	16,680
Revenues – development lands	10,498	-	-	10,498	-	-	10,498
Direct cost of sales	(15,428)	-	-	(15,428)	(11,750)	4,710	(22,468)
Gross margin	2,636	8	-	2,644	2,066	-	4,710
G&A, selling & marketing and net finance expense or income	(1,638)	117	-	(1,521)	(2,314)	-	(3,835)
Earnings (loss) before income taxes and non-controlling interest	998	125	-	1,123	(248)	-	875

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12. SEGMENTED INFORMATION (continued)

Nine months ended September 30, 2019	Land Development Segment			Total	Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination				
Revenues	16,829	12	-	16,841	39,195	(14,020)	42,016
Revenues – development lands	-	-	-	-	-	-	-
Direct cost of sales	(8,370)	-	-	(8,370)	(33,997)	14,020	(28,347)
Write-down of real estate held for development and sale	(800)	-	-	(800)	-	-	(800)
Gross margin	7,659	12	-	7,671	5,198	-	12,869
G&A, selling & marketing and net finance expense or income	(4,408)	290	-	(4,118)	(6,458)	-	(10,576)
Earnings (loss) before income taxes and non-controlling interest	3,251	302	-	3,553	(1,260)	-	2,293
Segmented assets as at September 30, 2019	242,571	32,127	(17,903)	256,795	29,087	(4,968)	280,914
Segmented liabilities as at September 30, 2019 ^{(1), (2)}	62,294	13,872	(13,851)	62,315	12,923	(4,968)	70,270
Segmented net assets as at September 30, 2019 ^{(1), (2)}	180,277	18,255	(4,052)	194,480	16,164	-	210,644

Nine months ended September 30, 2018	Land Development Segment			Total	Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination				
Revenues	25,147	19	-	25,166	38,080	(13,242)	50,004
Revenues – development lands	10,498	-	-	10,498	-	-	10,498
Direct cost of sales	(26,543)	(18)	-	(26,561)	(32,474)	13,242	(45,793)
Write-down of real estate held for development and sale	(920)	-	-	(920)	-	-	(920)
Gross margin	8,182	1	-	8,183	5,606	-	13,789
G&A, selling & marketing and net finance expense or income	(4,562)	324	-	(4,238)	(6,664)	-	(10,902)
Earnings (loss) before income taxes and non-controlling interest	3,620	325	-	3,945	(1,058)	-	2,887
Segmented assets as at December 31, 2018	237,274	30,972	(17,384)	250,862	31,199	(3,905)	278,156
Segmented liabilities as at December 31, 2018 ^{(1), (2)}	58,216	13,342	(13,332)	58,226	14,066	(3,905)	68,387
Segmented net assets as at December 31, 2018 ^{(1), (2)}	179,058	17,630	(4,052)	192,636	17,133	-	209,769

⁽¹⁾ Segmented liabilities under the Genesis home building segment include \$1,877 due to the land development segment (December 31, 2018 - \$2,112).

⁽²⁾ Segmented liabilities under the LP segment is comprised of accounts payable and accrued liabilities and includes \$13,851 (December 31, 2018 - \$13,332) due to Genesis.

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13. RELATED PARTY TRANSACTIONS

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Fees for services provided by a corporation controlled by an officer and director	-	81	-	251
			Sept. 30, 2019	Dec. 31, 2018
Amounts in accounts payable and accrued liabilities			-	-

14. 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 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.

15. SUBSEQUENT EVENTS

- a) On October 17, 2019 the Corporation completed a transaction with one of its controlled limited partnership entities, LPLP 2007, whereby the parent company acquired a third-party, secured vendor-take-back mortgage receivable held by LPLP 2007 as a result of a land disposition in December 2017. The acquisition cost to Genesis was \$22,020. Consideration to LPLP 2007 was comprised of a cash payment of \$10,360, with the balance of \$11,660 applied to fully repay the loan owed by LPLP 2007 to the parent company. Interest owed on that loan by LPLP 2007 of approximately \$650 was waived as part of the settlement arrangements.

The cash proceeds of \$10,360 to LPLP 2007 were placed in trust pending distribution to its unit holders, pursuant to a court approved process. A pro-rata distribution was made on October 17, 2019 to a unit holder holding 22% of all of the issued and outstanding limited partnership units. The Corporation also paid \$100 towards the legal fees and other costs incurred by that unit holder in negotiating and evaluating this transaction and the settlement arrangements. The balance of the funds will remain in trust and distributed to the remaining limited partnership unit holders pursuant to the court approved process. Those remaining unit holders will receive their pro-rata share of the funds at such time as the unit holder provides a prescribed release and undertaking (as was the case for the 22% distribution reference above) to LPLP 2007 and the Corporation, which among other provisions, addresses the statement of claim referenced in note 9c.

- b) The Corporation announced the renewal of its NCIB on October 8, 2019. Refer to note 6c for additional details.