

# GENESIS LAND DEVELOPMENT CORP.

CORPORATE UPDATE

September 30, 2019



**GENESIS**

# ADVISORIES

## Forward-looking Statements

*This presentation may contain certain statements which constitute forward-looking statements or information within the meaning of applicable securities laws 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”, “estimates”, “forecasts”, “anticipates” or “believes”, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.*

*In particular, forward-looking statements contained in this presentation may include, but are not limited to, statements relating to our strategic initiatives for 2019 and beyond, future development plans and objectives, targets, future growth, anticipated financial performance, expectations of the real estate, demographic, financing and economic environments, our financial condition or the results of or outlook of our operations.*

*Forward-looking statements are based on certain assumptions and analysis made by us about future economic conditions and courses of action. Although Genesis believes that these assumptions and analysis (set out in its most recent Management Discussion & Analysis (“MD&A”) under the heading “Advisories – Forward-Looking Statements”) are reasonable, a 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 Genesis’ control and 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](http://www.sedar.com), including Genesis’ MD&A under the heading “Risks and Uncertainties” and its Annual Information Form under the heading “Risk Factors”.*

*The forward-looking information contained in this presentation is expressly qualified by the foregoing cautionary statements. Furthermore, the forward-looking information contained in this presentation is made as of the date of this presentation 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.*

*A proven record of acquiring raw land in the Calgary area and, utilizing its integrated land development/ home building approach, transforming it into inspired communities that enrich lives.*



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# ABOUT US

## One of Western Canada's Pre-Eminent Development Companies

Genesis Land Development Corp. (TSX: GDC) has been **developing lands and building homes** in the Calgary Metropolitan Area (CMA) since 1991.

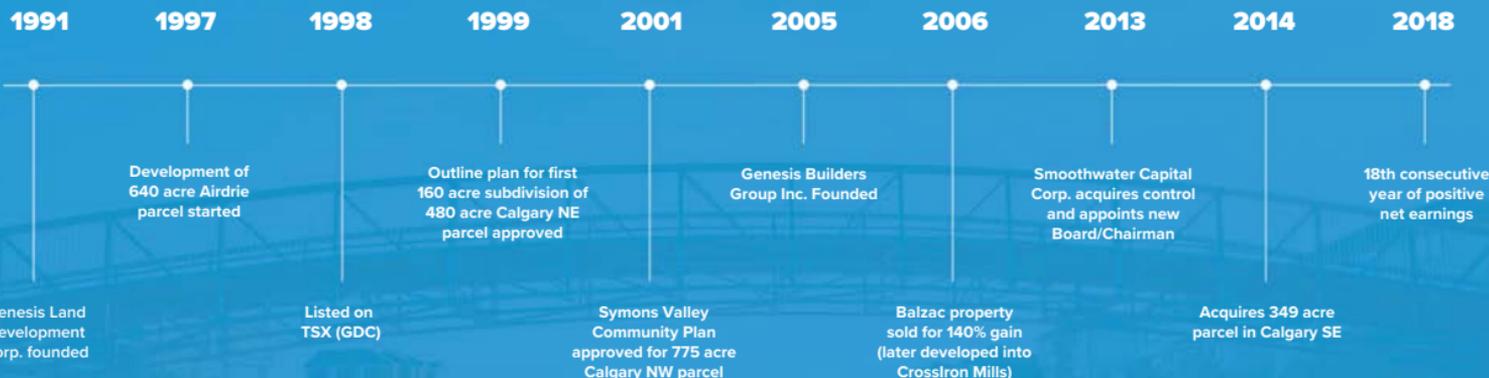
With a significant portfolio of well-located, entitled and unentitled residential, commercial and mixed-use lands, low debt levels, and a highly experienced management team, **Genesis is exceptionally well-positioned for the next phase of growth.**



# HISTORICAL TIMELINE

## DREAM. DESIGN. BUILD.

At Genesis, our mission is to imagine and develop **inspired communities that enrich lives**—one home, one family, and one neighbourhood at a time.



# GENESIS AT-A-GLANCE

**\$230 M**

in real estate  
assets

**29 YEARS**

of land development  
experience (1991)

**15 YEARS**

of home building  
experience (2005)

**\$60 M**

returned to shareholders  
since 2014

**3,200**  
ACRES

of developed/  
developing land  
in the CMA

**13%** net debt to total  
assets

**10,000**  
FAMILIES

Over **1,300 acres**  
developed in  
9 residential  
communities

# A SOLID FOUNDATION

## We're building our legacy with:

- Proven track record
- Well-located core land holdings
- Highly experienced management team
- An integrated, focused strategy
- Strong financial position

GENESIS



# PROVEN TRACK RECORD

Genesis has developed **1,366 acres of residential land, creating nine residential communities in the Calgary Metropolitan Area (CMA).**

- Over **10,000 families** now live in these communities

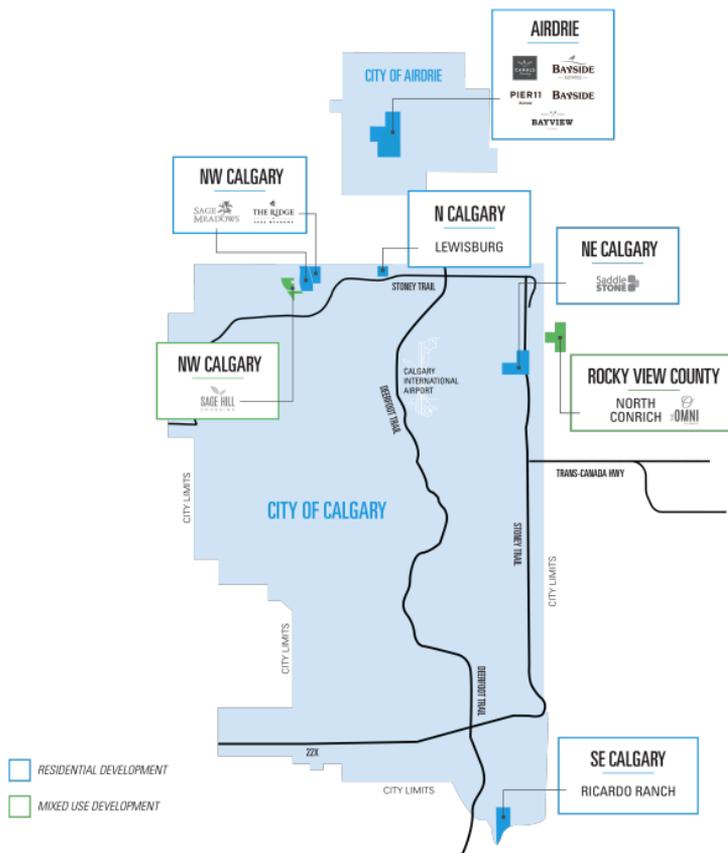
COMMUNITY	START DATE	TOTAL UNITS	TOTAL ACRES	ACRES REMAINING
<b>AIRDRIE</b>				
CANALS	1997	1,920	240	-
BAYSIDE	2001	2,520	315	70
BAYVIEW	2015	1,320	165	138
		<b>5,760</b>	<b>720</b>	<b>208</b>
<b>CALGARY NE</b>				
TARAVISTA	2001	1,280	160	-
TARALAKE	2005	1,280	160	-
SADDLESTONE	2010	1,280	160	-
		<b>3,840</b>	<b>480</b>	-
<b>CALGARY NW</b>				
SHERWOOD	2002	896	112	-
KINCORA	2009	296	37	-
SAGE MEADOWS	2010	1,800	225	-
		<b>2,992</b>	<b>374</b>	-
<b>ESTIMATED TOTAL</b>		<b>12,592</b>	<b>1,574</b>	<b>208</b>

# CORE LAND HOLDINGS

September 30, 2019

	SERVICED SF LOTS	FUTURE SF LOTS	LAND PARCELS (ACRES)
<b>AIRDRIE:</b>			
BAYSIDE, BAYVIEW	346	1,214	14
<b>CALGARY NW:</b>			
SAGE MEADOWS	46	-	18
<b>CALGARY NW:</b>			
SAGE HILL CROSSING	-	282	28
<b>CALGARY N:</b>			
LEWISBURG	-	830	7
<b>CALGARY NE:</b>			
SADDLESTONE	227	-	2
<b>CALGARY SE:</b>			
RICARDO RANCH	-	1,190	16
<b>ROCKY VIEW COUNTY:</b>			
OMNI	-	-	610

619 3,516 695



# MANAGEMENT TEAM



**IAIN STEWART**

*President and CEO  
Over 30 years of real estate experience*

*"Our experienced team, solid track record, strong balance sheet, and excellent development plays have positioned Genesis for sustained growth in the market."*



**WAYNE KING**

*Chief Financial Officer  
25 years of experience as a CFO*

*"We recognize that cash flow management and generation are critical in a capital intensive industry. We work hard to deliver shareholder value in all market conditions."*



**ARNIE STEFANIUK**

*Vice president, Land Development  
25 years residential land development experience*

*"Genesis Land takes great pride in building communities that are integrated into the natural environment, while providing access to all the urban amenities."*



**PS SIDHU**

*Vice President, Home Building  
14 years housing experience*

*"Genesis has the advantage of sharing expertise from both land and housing to collectively design efficient communities that fit today's housing demand."*



**BRIAN WHITWELL**

*Vice President, Asset Management  
20 years real estate experience*

*"Vertical integration allows Genesis to have efficient planning and design, leverage economies of scale and capture all margins."*

## BOARD OF DIRECTORS

**STEPHEN J. GRIGGS**

*Executive Chair*

**STEVEN GLOVER**

*Lead Director*

**MARK W. MITCHELL**

*Director*

**LOUDON OWEN**

*Director*

**IAIN STEWART**

*Director & CEO*

# STRATEGY & BUSINESS PLAN

## A HIGHLY FOCUSED APPROACH

Genesis strategy is carefully and thoughtfully designed to **maximize shareholder value** while leveraging opportunities for future growth.

## AT-A-GLANCE OVERVIEW



Targeted CMA focus



Land acquisitions



Obtaining zoning and service entitlements



Planning the development and sale of lands



Servicing additional phases



Increasing the velocity of lots sold



Producing exceptional benefits for all stakeholders

# TARGETED CALGARY METROPOLITAN AREA (CMA) FOCUS

## Genesis knows the CMA and is able to:

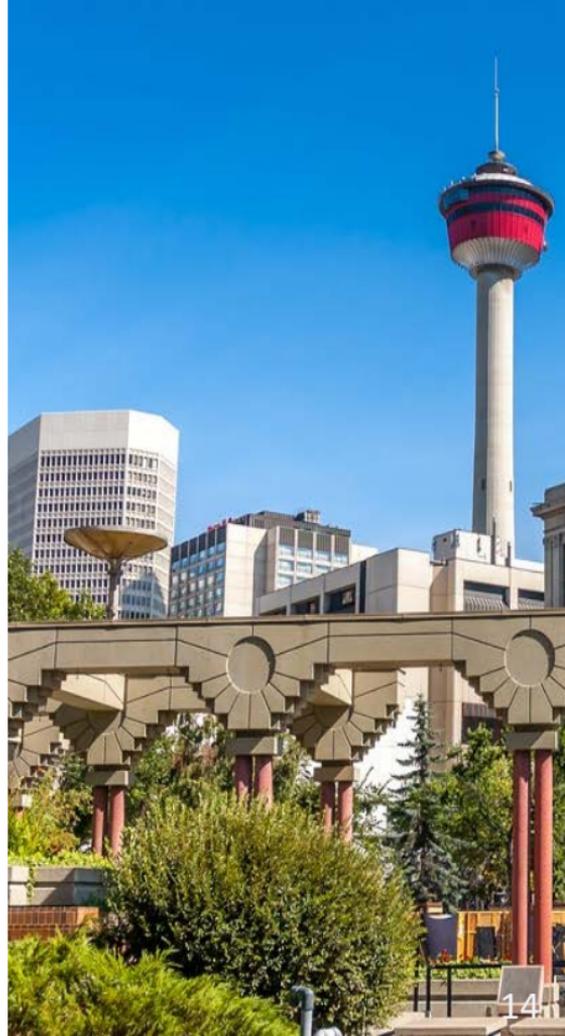
- **Anticipate local market conditions** and develop communities based on consumer needs
- Be **first in-the-know** about current and upcoming acquisition opportunities
- **Act quickly** on potential quality land investments
- Navigate the **approval process** with local stakeholders
- Attract **quality home** building partners
- Build quality production homes based on designs that have **proven to be sellable**



# WHY CALGARY?

## A resilient market forecast to outperform

- Out of favour market presents opportunities
- Western Canada's business centre
- Population growth even through recession
- Above average growth forecast going forward (2.2%)
- Relatively affordable
- Attractive to new businesses
  - Low tax rates
  - Available office space
  - Warehousing/distribution nexus
  - Educated, entrepreneurial workforce



# CMA MARKET SNAPSHOT

## 4<sup>th</sup>

**4<sup>th</sup> largest market**  
in Canada, homes to **1.5 million**  
**residents**

## 36.8

**Median age of Calgary residents**  
2<sup>nd</sup> youngest in the country  
(across major metropolitan areas)

## 2.2%

The Calgary economy is expected to  
**grow 2.2%** per year over the next five years;  
exceeding Canadians average of 1.8%

## +150,000

Population is forecasted to grow  
by **150,000** over the next 5 years,  
exceeding the Canadian  
average of 1.8%

## \$64,098

One of the **highest**  
**personal income per capita**  
in the country, **average**  
**income of \$64,098** (2017)

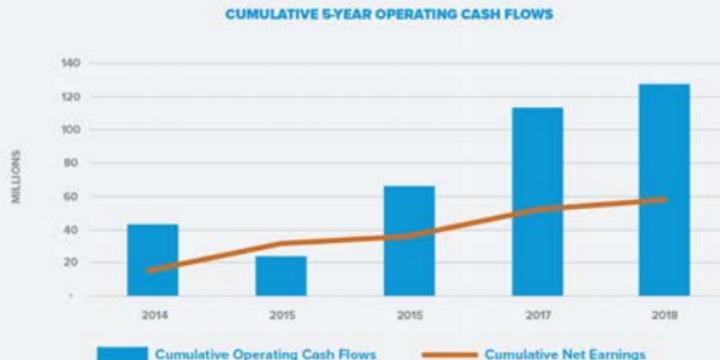
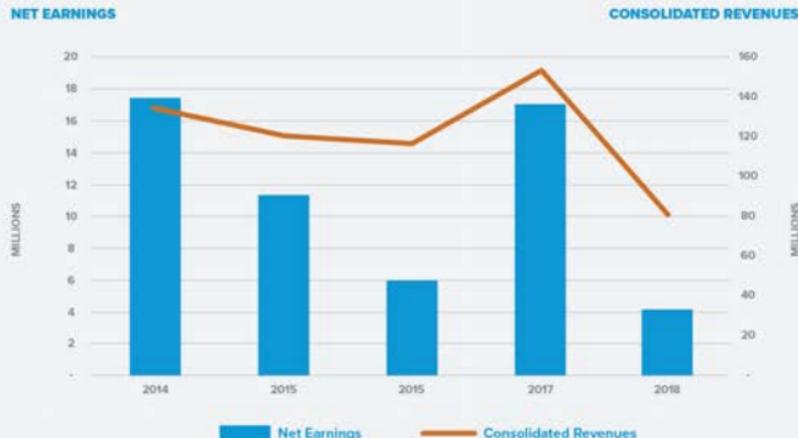
## \$72,957

**Highest average household**  
**spend in Canada** (2017)

# STRONG OPERATING RESULTS

Previous five years (2014 – 2018)

- **18 consecutive years** of positive net earnings
- **2014 - 2018** cumulative results:
  - Net earnings of **\$59 million**
  - Total revenues of over **\$600 million**
  - **\$128 million** in operating cash flow



# STRONG BALANCE SHEET

September 30, 2019

- Market capitalization to shareholders' equity ratio of **0.67**
- Debt to assets ratio of 13%

(000'S)	BOOK VALUE (\$)	PER SHARE (\$)
<b>REAL ESTATE ASSETS</b>	230,245	5.46
<b>WORKING CAPITAL <sup>1</sup></b>	8,193	0.19
<b>NET DEBT <sup>2</sup></b>	(27,794)	(0.66)
<b>NON-CONTROLLING INTEREST</b>	(18,424)	(0.44)
<b>SHAREHOLDERS' EQUITY</b>	192,220	4.56
<b>SHARES OUTSTANDING</b>		42,180
<b>SHARE PRICE (\$)</b>		2.39
<b>MARKET CAPITALIZATION (\$)</b>		100,811
<b>NET DEBT (CASH) (\$)</b>		27,794
<b>ENTERPRISE VALUE (\$)</b>		128,605

- All figures as of September 30, 2019

1 – "Working capital" calculated as shareholders' equity plus non-controlling interest less real estate assets plus net debt

2 – "Net debt" defined as loans and credit facilities less cash and cash equivalents

# POSITIONED FOR GROWTH

## Building on our successes with:

- Proven track record
- Well-located core land holdings
- Highly experienced management team
- An integrated, focused strategy
- Strong financial position



# APPENDIX CORE LAND HOLDINGS



# CORE LAND HOLDINGS

September 30, 2019

**Genesis is well-positioned to build on its successes with an extensive portfolio of core land holdings in the CMA**

COMMUNITY	ACRES	TARGETED DEVELOPMENT TIMEFRAME
<b>AIRDRIE</b>		
BAYSIDE	70	2019 - 2028
BAYVIEW	138	2019 - 2031
	<b>208</b>	
<b>CALGARY</b>		
SADDLESTONE	-	2019 - 2022
SAGE MEADOWS	-	2019 - 2021
SAGE HILL CROSSING	64	2020 - 2029
LEWISBURG	130	2021 - 2030
RICARDO RANCH	349	2021 - 2031
	<b>543</b>	
<b>ROCKY VIEW COUNTY</b>		
OMNI <sup>(1)</sup>	610	2021 - 2035
	<b>610</b>	
<b>TOTAL</b>	<b>1,361</b>	

(1) 51.2% undivided interest.

## CORE LAND HOLDINGS

# AIRDRIE: BAYSIDE & BAYVIEW



## DEVELOPMENT TIMELINE

- Servicing started in **1997**
- **512** acres serviced
- **319** acres of raw land sold after annexation
- Target completion in **2031**

## CURRENT INVENTORY

- **276** single family lots
- **70** townhomes
- **3** acres of multi-family land
- **208** acres of undeveloped land



## CORE LAND HOLDINGS

# NE CALGARY: SADDLESTONE



## DEVELOPMENT TIMELINE

- **480** acres serviced
- Target completion in **2022**

## CURRENT INVENTORY

- **187** single family lots
- **40** townhomes
- **2** acres of multi-family land

## CORE LAND HOLDINGS

# NW CALGARY: SAGE MEADOWS



## DEVELOPMENT TIMELINE

- Servicing started in **2010**
- **374** acres serviced
- **252** acres sold after obtaining land use
- Target completion in **2021**

## CURRENT INVENTORY

- **46** single family lots
- **18** acres of multi-family land



## CORE LAND HOLDINGS

# NW CALGARY: SAGE HILL CROSSING



## DEVELOPMENT TIMELINE

- **100** acres developed and **42** acres sold
- **49** acres to be serviced in **2021**
- Target completion in **2029**

## CURRENT INVENTORY

- **15** acres serviced multi-family/commercial
- **49** acres of future development land
- Proposed mix of single family lots multi-family and commercial parcels

## CORE LAND HOLDINGS

# N CALGARY: LEWISBURG



## DEVELOPMENT TIMELINE

- Target start year for servicing of **2021**
- Target completion in **2030**

## CURRENT INVENTORY

- **130** acres of undeveloped land

## CORE LAND HOLDINGS

# SE CALGARY: RICARDO RANCH



## DEVELOPMENT TIMELINE

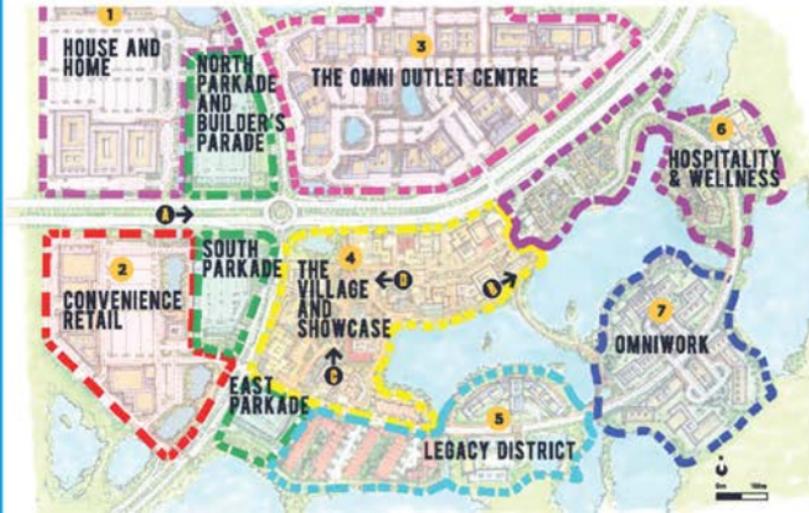
- Acquired in October **2014**
- Target start year for servicing of **2021**
- Target completion in **2031**

## CURRENT INVENTORY

- **349** acres of undeveloped land

## CORE LAND HOLDINGS

# ROCKY VIEW COUNTY: OMNI



## DEVELOPMENT TIMELINE

- Target start year for servicing of **2021**
- Target completion in **2035**

## CURRENT INVENTORY

- **185** acres future commercial site
- **425** acres of future development land
- Genesis owns **51.2%** undivided interest in the land and manages the development of the project

## **GENESIS LAND DEVELOPMENT CORP.**

### Contact Information

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