

Genesis Reports 2020 Second Quarter Results

For Immediate Release

CALGARY, July 30, 2020 – Genesis Land Development Corp. (TSX: GDC) (the “Corporation” or “Genesis”) reported its financial and operating results for the three months (“Q2”) and six months ended June 30, 2020 (“YTD”). Genesis is an integrated land developer and residential home builder operating in the Calgary Metropolitan Area (“CMA”), owning and developing a portfolio of well-located, entitled and unentitled residential, commercial and mixed-use lands and serviced lots in the CMA.

Market Overview

Global economic conditions have been difficult as the COVID-19 pandemic has caused governments to shutdown large parts of the global economy. Alberta was particularly impacted by the sharp decline in oil prices. The Calgary Real Estate Board (“CREB”) reported significant drops in activity in March, April and May but June 2020 recovered to near its prior year level. Importantly, low interest rates continue to support home sales activity.

As demonstrated in the highlights below, Genesis has focused on executing its business plan while preserving cash resources and protecting its balance sheet:

2020 Highlights (Q2 2020 and YTD 2020):

- Genesis generated positive cash flows from operating activities of \$7.0 million (\$0.17 per share - basic and diluted) in Q2 2020 and \$15.2 million (\$0.36 per share - basic and diluted) in YTD 2020. Cash flows from operating activities were \$7.1 million and \$11.6 million for Q2 2019 and YTD 2019 respectively.
- Net earnings attributable to equity shareholders in Q2 2020 were \$3.6 million (\$0.09 earnings per share - basic and diluted) compared to a net loss attributable to equity shareholders of \$0.4 million (\$0.01 loss per share - basic and diluted) in Q2 2019.
- Net loss attributable to equity shareholders in YTD 2020 was \$3.7 million (\$0.09 loss per share - basic and diluted) compared to net loss attributable to equity shareholders of \$0.3 million (\$0.01 loss per share - basic and diluted) in YTD 2019. The Corporation recorded Q1 2020 write-downs of \$10.0 million (2019 - \$0.8 million) on a parcel of land held for development and \$0.8 million (2019 - \$Nil) relating to a townhouse project.
- YTD 2020 saw 83 new home orders compared to 74 in 2019 and outstanding new home orders at June 30, 2020 stood at 55 compared to 49 on June 30, 2019 and 54 at December 31, 2019.
- In Q2 2020 Genesis sold 52 homes an increase of 58% and 87 residential lots an increase of 135% over Q2 2019. In YTD 2020 Genesis sold 82 homes, an increase of 39%, and 119 lots, an increase of 70%, over YTD 2019.
- Q2 2020 lot sales to third parties were 35 compared to 4 in Q2 2019 while YTD 2020 lot sales to third parties were 37 compared to 11 in YTD 2019.
- YTD 2020 includes the sale of two development land parcels for \$9.2 million versus none in YTD 2019.
- These higher volumes generated Q2 2020 revenue of \$30.7 million compared to \$16.5 million in Q2 2019 bringing YTD 2020 revenues to \$54.4 million compared to \$29.2 million in YTD 2019.
- On June 30, 2020, Genesis had \$24.0 million in cash and cash equivalents and loans and credit facilities of \$46.0 million which is 16% of the total book value of assets.

Selected Financial Results and Operating Data:

| (\$000s, except for per share items or unless otherwise noted) | Three months ended June 30, | | Six months ended June 30, | |
|--|--------------------------------|--------|------------------------------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| Key Financial Data | | | | |
| Total revenues | 30,725 | 16,533 | 54,377 | 29,230 |
| Net earnings (loss) attributable to equity shareholders | 3,644 | (357) | (3,739) | (283) |
| Net earnings (loss) per share - basic and diluted | 0.09 | (0.01) | (0.09) | (0.01) |
| Cash flows from operating activities | 7,044 | 7,061 | 15,232 | 11,644 |
| Cash flows from operating activities per share - basic and diluted | 0.17 | 0.17 | 0.36 | 0.28 |
| Key Operating Data | | | | |
| Land Development | | | | |
| Total residential lots sold (units) | 87 | 37 | 119 | 70 |
| Residential lot revenues | 14,739 | 6,554 | 20,491 | 11,930 |
| Development land revenues | 175 | - | 9,162 | - |
| Home Building | | | | |
| Homes sold (units) | 52 | 33 | 82 | 59 |
| Revenues ⁽¹⁾ | 23,901 | 15,486 | 37,989 | 26,572 |
| Outstanding new home orders at period end (units) | | | 55 | 49 |

⁽¹⁾ Includes revenues of \$8,090,000 for 52 lots in Q2 2020 and \$13,265,000 for 82 lots in YTD 2020 purchased by the Home Building division from the Land Development division (\$5,507,000 and 33 in Q2 2019; \$9,272,000 and 59 in YTD 2019) and sold with the home. These amounts are eliminated on consolidation

| (\$000s, except for per share items or unless otherwise noted) | As at Jun. 30, 2020 | As at Dec. 31, 2019 |
|--|------------------------|------------------------|
| Key Balance Sheet Data | | |
| Cash and cash equivalents | 23,989 | 16,248 |
| Total assets | 283,330 | 296,268 |
| Loans and credit facilities | 45,954 | 51,546 |
| Shareholders' equity | 203,193 | 193,957 |
| Loans and credit facilities (debt) to total assets | 16% | 17% |

Board Chair Appointment

The Board of Directors has confirmed the appointment of Stephen Griggs as the Board Chair effective August 1, 2020. Mr. Griggs has been Executive Chair of the Board since September 2018. The primary responsibility of the Chair, as it was in the Executive Chair role, is set out in the Chair mandate in the Corporation's Governance Policies: "provide leadership to the Board, the Board Committees, individual Directors and the CEO to assist them to effectively carry out their duties and responsibilities".

Outlook

The duration and impact of the COVID-19 pandemic remains unknown and as a result, it is not possible to reliably estimate the impact on the financial results and condition of the Corporation in future periods.

Genesis is committed to implementing its strategy to develop and realize the value of its land holdings while controlling costs and ensuring that all health and safety recommendations of regulatory authorities are being followed and, when feasible, exceeded.

"In the face of the very significant economic slowdown due to COVID-19 restrictions and the energy downturn, the strength and resilience of our people and assets was demonstrated once again in the second quarter, with solid financial results," said CEO Iain Stewart. "I am confident we can continue to execute on our business plan and deliver long term value for our shareholders".

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, 2020 and 2019 and the related Management's Discussion and Analysis ("MD&A") dated July 30, 2020 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.

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ADVISORIES

Cautionary Note Regarding 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", "seeks", "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. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control.

Forward-looking statements in this news release include, but are not limited to plans and strategies surrounding the acquisition of additional land; the future residential development of land; anticipated general economic and business conditions.

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; the cyclical nature of the oil and gas industry; changes in the Canadian US dollar exchange rate; labour matters; governmental regulations; general economic and financial conditions; 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 Corporation's annual information form 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.