

Genesis Reports 2020 Third Quarter Results

For Immediate Release

CALGARY, November 5, 2020 – Genesis Land Development Corp. (TSX: GDC) (the “Corporation” or “Genesis”) reported its financial and operating results for the three months (“Q3”) and nine months ended September 30, 2020 (“YTD”). Genesis is an integrated land developer and residential home builder operating in the Calgary Metropolitan Area (“CMA”), owning and developing a growing portfolio of well-located, entitled and unentitled residential, commercial and mixed-use lands and serviced lots in the CMA.

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 (Q3 2020 and YTD 2020):

- *Positive Cash Flow from Operations Up Significantly:* Genesis generated positive cash flows from operating activities of \$9.9 million (\$0.24 per share - basic and diluted) in Q3 2020 and \$25.1 million (\$0.60 per share - basic and diluted) in YTD 2020. This is a significant improvement from the same periods in 2019, in which cash flows used in operating activities were (\$10.1 million) ((\$0.24) per share - basic and diluted) for Q3 2019, while cash flows generated from operating activities were \$1.6 million (\$0.04 per share - basic and diluted) for YTD 2019.
- *Net Earnings Increased:* Net earnings attributable to equity shareholders in Q3 2020 were \$3.8 million (\$0.09 earnings per share - basic and diluted) compared to \$0.3 million (\$0.01 earnings per share - basic and diluted) in Q3 2019. Net earnings attributable to equity shareholders in YTD 2020 were \$0.07 million (\$0.00 earnings per share - basic and diluted), compared to \$0.02 million (\$0.00 earnings per share - basic and diluted) in YTD 2019. In Q1 2020 the Corporation recorded 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.
- *Significant Increase in Homes Sold and New Home Orders:* In Q3 2020, Genesis sold 53 homes, an increase of 104% from the 26 sold in Q3 2019. In YTD 2020, Genesis sold 135 homes, an increase of 59% from the 85 sold YTD 2019. At September 30, 2020, Genesis had 138 new home orders compared to 112 at September 30, 2019. Genesis had 57 outstanding new home orders at September 30, 2020 (61 on September 30, 2019 and 54 at December 31, 2019).
- *Lot Sales Up:* In Q3 2020, Genesis sold 76 residential lots (23 to third-party builders and 53 through Genesis’ home building division) an increase of 182% from 27 lots in Q3 2019 (one to a third-party builder and 26 through its home building division). In YTD 2020, Genesis sold 195 residential lots (60 to third-party builders and 135 through its home building division), an increase of 101% from 97 lots in YTD 2019 (12 to third-party builders and 85 through its home building division).
- *\$9.5 Million of Development Land Sales:* YTD 2020, Genesis has sold three development land parcels for \$9.5 million versus none in YTD 2019.
- *Revenues up 132% in Q3 2020:* These higher sales volumes in all areas generated Q3 2020 revenue of \$29.7 million, compared to \$12.8 million in Q3 2019 and YTD 2020 revenues of \$84.1 million, compared to \$42.0 million in YTD 2019.
- *\$30.7 Million of Cash and Net Debt of \$13.7 Million:* On September 30, 2020, Genesis had \$30.7 million in cash and cash equivalents, and outstanding loans and credit facilities of \$44.4 million (15% of the total book value of its assets).

Selected Financial Results and Operating Data:

(\$000s, except for per share items or unless otherwise noted)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Key Financial Data				
Total revenues	29,739	12,786	84,116	42,016
Net earnings attributable to equity shareholders	3,813	300	74	17
Net earnings per share - basic and diluted	0.09	0.01	0.00	0.00
Cash flows from (used in) operating activities	9,893	(10,076)	25,125	1,568
Cash flows from (used in) operating activities per share - basic and diluted	0.24	(0.24)	0.60	0.04
Key Operating Data				
Land Development				
Total residential lots sold (units)	76	27	195	97
Residential lot revenues	13,926	4,911	34,417	16,841
Development land revenues	320	-	9,482	-
Home Building				
Homes sold (units)	53	26	135	85
Revenues ⁽¹⁾	24,838	12,623	62,827	39,195
Outstanding new home orders at period end (units)			57	61

⁽¹⁾ Includes revenues of \$9,345,000 for 53 lots in Q3 2020 and \$22,610,000 for 135 lots in YTD 2020 purchased by the Home Building division from the Land Development division (\$4,748,000 and 26 in Q3 2019; \$14,020,000 and 85 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 Sept. 30, 2020	As at Dec. 31, 2019
Key Balance Sheet Data		
Cash and cash equivalents	30,719	16,248
Total assets	287,055	296,268
Loans and credit facilities	44,383	51,546
Shareholders' equity	193,952	193,957
Loans and credit facilities (debt) to total assets	15%	17%

Development approvals delayed

On November 3, 2020, Calgary City Council did not approve applications for removal of Growth Management Overlays ("GMOs") from 11 proposed projects belonging to various land developers, of which 2 projects belonged to Genesis, namely Ricardo Ranch and Lewiston. GMOs are required to be removed prior to receiving final development approvals. The two Genesis projects met or exceeded, to the best of Genesis' understanding, all pre-identified criteria for removal of their respective GMOs. Genesis intended to commence development of these two projects in 2021. Genesis will give a high priority to reapplying for removal of the GMOs at the earliest opportunity.

Outlook

The Calgary Metropolitan Area economy has seen materially lower economic activity and increased unemployment levels due to the COVID-19 pandemic and low energy prices. While the Calgary economy improved in the third quarter, the duration and impact of the COVID-19 pandemic and the impact of lower energy prices remain 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 continues to adapt its operations, capital investments and marketing approaches to address current conditions and has seen positive results from these activities. These positive results include significant increases in the volumes of new home orders and sales of houses, lots and development lands. These higher volumes generated significant cash flows from operating activities of \$25.1 million for YTD 2020. "The strength and resilience of our people and assets shows in the strong results produced through September 30 for 2020," said CEO Iain Stewart. "I am confident we can continue to execute on our business plan and deliver long term value for our shareholders despite current economic challenges".

Genesis is committed to implementing its strategy to develop and realize the value of its land holdings, while prudently managing its financial and other resources with a focus on controlling costs, preserving cash, protecting the value of its assets and limiting financing risk while ensuring that all health and safety recommendations of regulatory authorities are being followed and, when feasible, exceeded.

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 nine months ended September 30, 2020 and 2019 and the related Management's Discussion and Analysis ("MD&A") dated November 5, 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.