

Genesis Reports Strong Q4 and 2020 Performance

For Immediate Release

CALGARY, March 1, 2021 – Genesis Land Development Corp. (TSX: GDC) (the “Corporation” or “Genesis”) reported its fourth quarter and 2020 earnings today.

The integrated land developer and residential home builder reported \$103.9 million of revenue for the twelve months ended December 31, 2020, up 53% year over year. Home sales, new home orders and the sale of residential lots were all up year over year, with cash flow from operating activities of \$48.0 million, or \$1.14 per share. Genesis declared a dividend to shareholders of \$0.15 per share, which was announced in the fourth quarter of 2020 and paid in January 2021.

“Like the communities we build which last for generations, Genesis operates its businesses for long-term success and strength,” says Iain Stewart, President and CEO of the Calgary-based developer. “In a very challenging year, we were able to pay a \$0.15 dividend to shareholders, and deliver positive net earnings for the 20th consecutive year,” he said.

2020 and Q4 Results and Highlights

Genesis continued in 2020 to execute its business plan while preserving cash resources and protecting its balance sheet:

- **\$48.0 million of Cash Flows from operating activities:** Genesis generated cash flows from operating activities of \$48.0 million, or \$1.14 per share (basic and diluted) in 2020, up from \$9.5 million, or \$0.23 per share (basic and diluted) in 2019. In Q4 2020, cash flows from operating activities was \$22.9 million, or \$0.54 per share (basic and diluted), up from \$8.0 million, or \$0.19 per share (basic and diluted) in Q4 2019.
- **\$103.9 million of revenues in 2020:** Higher sales volumes generated revenue of \$103.9 million in the year ended 2020 up from \$68.1 million in 2019. Q4 2020 generated revenues of \$19.8 million, down from \$26.1 million in the same period in 2019.
- **Net Earnings were positive for the 20th consecutive year:** Net earnings attributable to equity shareholders in 2020 were \$0.2 million or \$0.00 net earnings per share (basic and diluted), compared to \$1.7 million, or \$0.04 net earnings per share (basic and diluted) in 2019. Net earnings attributable to equity shareholders in Q4 2020 were \$0.1 million or \$0.00 net earnings per share (basic and diluted) compared to \$1.7 million, or \$0.04 net earnings per share – (basic and diluted) in Q4 2019. Earnings were negatively impacted by write-downs on land parcels and a townhouse project of \$11.6 million during 2020, compared with write-downs of \$0.8 million in 2019.
- **163 homes sold, up 27% from 2019:** During 2020, Genesis sold 163 homes, an increase of 27% from the 128 sold in 2019. In Q4 2020, Genesis sold 28 homes, compared to 43 sold in Q4 2019. During 2020, Genesis had 192 new home orders compared to 148 in 2019. Genesis had 83 outstanding new home orders at December 31, 2020 (54 at December 31, 2019).
- **225 lots sold, up 40% from 2019:** In 2020, Genesis sold 225 residential lots (62 to third-party builders and 163 through its home building division), up 40% from 161 lots in 2019 (33 to third-party builders and 128 through its home building division). In Q4 2020, Genesis sold 30 residential lots (2 sold to third-party builders and 28 through its home building division) compared to 64 lots in Q4 2019 (21 to a third-party builder and 43 through its home building division). Genesis has fully serviced land at December 31, 2020 consisting of 249 single family lots, 82 townhouse units and 5 land parcels in its core communities in Airdrie and Calgary.
- **\$16.6 Million of development land sales:** In 2020, Genesis sold five development land parcels for \$16.6 million, two of which were sold in Q4 2020 for \$7.1 million. This compares with one parcel sold in Q4 2019 for \$0.6 million, which was owned by a limited partnership.
- **Cash on hand of \$29.7 Million:** As at December 31, 2020, Genesis had \$29.7 million in cash and cash equivalents, which exceeded outstanding loans and credit facilities balances of \$21.5 million by \$8.2 million.
- **Dividend declared in Q4 2020:** A dividend of \$0.15 per share totaling \$6.3 million was declared in December 2020 and paid in January 2021. Dividends are a key component of Genesis’ strategic and business plan and will continue to be a priority in the allocation of cash resources.
- **\$50-million corporate revolving line of credit:** Subsequent to December 31, 2020, Genesis finalized a \$50-million three-year fixed term secured corporate revolving line of credit with MCAP Financial Corporation at an interest rate per annum equal to the higher of prime +1.90 per cent or 4.35 per cent.

- **\$29.2 Million land acquisition:** Subsequent to December 31, 2020, Genesis entered into a binding agreement to acquire approximately 157 acres of future residential development land in the City of Calgary. Genesis paid a non-refundable deposit of \$2.2 million, with the balance of \$27.0 million to be paid on closing, currently scheduled for April 2022. Upon completion, the community is expected to yield over 1,200 housing units.

Selected Financial Results and Operating Data:

(\$000s, except for per share items or unless otherwise noted)	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
Key Financial Data				
Total revenues	19,817	26,081	103,933	68,097
Net earnings attributable to equity shareholders	125	1,684	199	1,701
Net earnings per share - basic and diluted	0.00	0.04	0.00	0.04
Cash flows from operating activities	22,858	7,969	47,983	9,537
Cash flows from operating activities per share - basic and diluted	0.54	0.19	1.14	0.23
Key Operating Data				
Land Development				
Total residential lots sold (units)	30	64	225	161
Residential lot revenues	4,772	12,230	39,189	29,071
Development land revenues	7,146	550	16,628	550
Home Building				
Homes sold (units)	28	43	163	128
Revenues ⁽¹⁾	12,198	20,551	75,025	59,746
Outstanding new home orders at period end (units)			83	54

⁽¹⁾ Includes revenues of \$4,299,000 for 28 lots in Q4 2020 and \$26,909,000 for 163 lots in YE 2020 purchased by the Home Building division from the Land Development division (\$7,250,000 and 43 in Q4 2019; \$21,270,000 and 128 in YE 2019) and sold with the home. These amounts are eliminated on consolidation

(\$000s, except for per share items or unless otherwise noted)	As at Dec. 31, 2020	As at Dec. 31, 2019
Key Balance Sheet Data		
Cash and cash equivalents	29,743	16,248
Total assets	266,494	296,268
Loans and credit facilities	21,470	51,546
Shareholders' equity	187,676	193,957
Loans and credit facilities (debt) to total assets	8%	17%

Outlook

The Calgary Metropolitan Area economy has experienced materially lower economic activity and increased unemployment levels due to the COVID-19 pandemic and volatility in energy prices. While the Calgary economy improved in the fourth quarter of 2020, 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. The Calgary Real Estate Board forecast that the momentum seen in the housing market in the second half of 2020 will continue into 2021, fueled by low mortgage interest rates, low levels of housing supply and increased demand for suburban single-family homes. Alberta GDP is forecast to be positive in 2021 by RBC Economics growing by 4.5%. These are both positive signs, but in addition to the ongoing potential impact of COVID there are still challenges that could have a negative impact including lower immigration and higher than historical unemployment levels.

Genesis has been able to adapt its operations, capital investments and marketing approaches to address current conditions and had positive results from these activities in 2020. Genesis is continuing to focus on managing 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.

In 2021, to add to the inventory of serviced lots and parcels in Bayside, Bayview, Sage Meadows and Saddlestone, Genesis will be bringing on additional inventory in the first phase of its Sage Hill community and is planning the development of the next phases in Sage Hill, Bayside and Bayview which will deliver additional lots and parcels in 2022 and 2023. Genesis will be looking to make progress in 2021 to obtain zoning and servicing approvals in its Lewiston, Logan Landing and OMNI developments.

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 and controlling costs.

Genesis Annual Meeting

Genesis will hold its annual general meeting on May 14, 2021 at 9 am (Mountain Daylight Time). As a result of ongoing provincial COVID-19 limitations and restrictions on in-person indoor gatherings, our Meeting will be held as a virtual only shareholders meeting. If the provincial COVID-19 limitations and restrictions on in-person indoor gatherings are modified or removed such that an in-person meeting of Genesis shareholders would be permitted, Genesis may determine to convene the Meeting as an in-person shareholders meeting rather than a virtual only shareholders meeting. Any decision in this regard will be publicly announced by Genesis prior to the Meeting.

About Genesis

Genesis is an integrated land developer and residential home builder owning and developing a growing portfolio of well-located, entitled and unentitled residential, commercial and mixed-use lands and serviced lots throughout the Calgary Metropolitan Area.

Additional Information

The information contained in this press release should be read in conjunction with the consolidated financial statements for the years ended December 31, 2020 and 2019 and the related Management's Discussion and Analysis ("MD&A") dated March 1, 2021 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", "budget", "proposed", "scheduled", "future", "likely", "seeks", "estimates", "plans", "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 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 relating to adding additional inventory of serviced lots; planning for the development of the next phases of Genesis' communities; obtaining zoning and service approvals; anticipated general economic and business conditions (including in the context of COVID-19); and areas of continued operational focus.

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 / U.S. dollar exchange rate; labour matters; governmental regulations; general economic and financial conditions; stock market volatility; the impacts of COVID-19 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.