

Genesis Reports Fourth Quarter and 2022 Results

For Immediate Release

CALGARY, March 2, 2023 – Genesis Land Development Corp. (TSX: GDC) (the “Corporation” or “Genesis”) reported its financial and operating results for the three months (“Q4”) and year end December 31, 2022 (“YE”).

The following are highlights of Genesis financial results for the fourth quarter of 2022:

2022 Highlights (Q4 2022 and YE 2022)

- **\$140.4 Million of Revenues in YE 2022:** Genesis generated revenue of \$140.4 million in YE 2022 up from \$109.8 million achieved in YE 2021. Q4 2022 revenues of \$54.2 million were higher when compared to \$26.5 million generated in Q4 2021.
- **Net Earnings in YE 2022 were \$4.5 Million:** Net earnings were positive for the 22nd consecutive year with net earnings attributable to equity shareholders in YE 2022 of \$4.5 million (\$0.08 per share - basic and diluted), compared to \$10.9 million (\$0.24 per share - basic and diluted) in YE 2021. Net earnings attributable to equity shareholders in Q4 2022 were \$3.1 million (\$0.05 per share - basic and diluted) compared to \$4.3 million (\$0.09 per share - basic and diluted) in Q4 2021.
- **236 Lots Sold:** In YE 2022, Genesis sold 236 residential lots (144 to third-party builders and 92 through its home building division, GBG), a decrease of 5% from 247 lots in YE 2021 (60 to third-party builders and 187 through GBG). In Q4 2022, Genesis sold 106 residential lots (84 to third-party builders and 22 through GBG) compared to 49 lots in Q4 2021 (2 to third-party builders and 47 through GBG).
- **169 Homes Sold:** In YE 2022, Genesis sold 169 homes, a decrease of 12% from the 191 sold in YE 2021. In Q4 2022, Genesis sold 57 homes, compared to 51 sold in Q4 2021. During YE 2022, Genesis had 233 new home orders compared to 249 for YE 2021. Genesis had 205 outstanding new home orders on hand at December 31, 2022 (141 at December 31, 2021).
- **\$16.0 Million of Development Land Sales:** In YE 2022, Genesis sold five development land parcels for \$16.0 million versus four parcels for \$5.9 million (including one owned by a limited partnership for \$0.9 million) in YE 2021. Genesis sold two development land parcels for \$6.3 million in Q4 2022 versus no development land sold in Q4 2021.
- **Cash on Hand of \$36.6 Million:** On December 31, 2022, Genesis had \$36.6 million in cash and cash equivalents.
- **Dividends of \$0.15 per share in 2022:** Total cash dividends of \$8.5 million (\$0.15 per share) were paid during the year ended December 31, 2022 of which \$0.075 was declared and paid in Q4 2022.
- **Land Acquisitions:** In Q2 2022, Genesis closed the acquisition of approximately 157 acres of future residential development land (Huxley) in the east sector of the City of Calgary for a total purchase price of \$29.2 million. In Q3 2022, Genesis paid \$6.7 million to two limited partnerships (controlled entities within the consolidated entity) resulting in Genesis directly owning 100% of three land parcels totaling 456 acres in North Conrich, immediately east of Calgary in Rocky View County. In Q2 2022, Genesis entered into an agreement to acquire approximately 160 acres of future residential development land in the southeast sector of the City of Calgary for a total purchase price of up to \$30 million. Genesis has paid a non-refundable deposit of \$3.3 million with the balance due on closing which is scheduled for January 31, 2025.
- **Lewiston Lands Limited Partnership (“LLLP”):** During YE 2022, the Corporation transferred approximately 130 acres of residential development land located in north Calgary in the Keystone Area Structure Plan to LLLP. At December 31, 2022, 100% of LLLP was owned by Genesis. Subsequent to December 31, 2022, Genesis sold a 20% ownership stake in LLLP to each of two Calgary based third party home builders. The transaction closed on January 16, 2023 for cash consideration for each 20% ownership stake of \$5.9 million (net of assumption of debt of \$4 million each), resulting in gross proceeds for the sale of a 40% ownership interest of \$11.8 million (net of assumption of debt of \$8 million).

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,	
	2022	2021	2022	2021
Key Financial Data				
Total revenues	54,157	26,531	140,357	109,761
Net earnings attributable to equity shareholders	3,062	4,252	4,520	10,877
Net earnings per share - basic and diluted	0.05	0.09	0.08	0.24
Cash flows (used in) from operating activities	(1,686)	(6,326)	(43,756)	2,388
Cash flows (used in) from operating activities per share - basic and diluted	(0.03)	(0.15)	(0.77)	0.05
Key Operating Data				
Land Development				
Total residential lots sold (units)	106	49	236	247
Residential lot revenues ⁽¹⁾	18,015	8,423	40,639	41,095
Development land revenues	6,338	-	15,991	5,870
Home Building				
Homes sold (units)	57	51	169	191
Revenues ⁽²⁾	33,799	26,024	100,680	92,416
Outstanding new home orders at period end (units)			205	141

⁽¹⁾ Includes residential lot sales to third parties, residential lot sales to GBG and other revenues

⁽²⁾ Includes other revenues and revenues of \$3,995,000 for 22 lots in Q4 2022 and \$16,953,000 for 92 lots in YE 2022 purchased by the Home Building division from the Land Development division (\$7,916,000 and 47 in Q4 2021; \$29,620,000 and 187 in YE 2021) 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, 2022	As at Dec. 31, 2021
Key Balance Sheet Data		
Cash and cash equivalents	36,598	63,975
Total assets	364,140	324,929
Loan and credit facilities	65,057	32,668
Shareholders' equity	224,632	228,624
Loan and credit facilities to total assets	18%	10%

Outlook

Supported by a solid financial position, a backlog of new-home orders at December 31, 2022 and the relative strength of the Calgary economy, Genesis continues to consider growth opportunities, while carefully monitoring new home orders and the Calgary housing market. Housing price increases in recent years, rapidly increasing interest rates, inflationary pressures, tight labour markets and continuing supply chain constraints are impacting new home sales, home affordability and our ability to build new homes. These and other factors will likely negatively impact Genesis new home orders in 2023, although the supply of homes for sale in the Calgary market remains tight at 1.87 months, the lowest level reported for December in over a decade. In its December 2022 report, the Calgary Real Estate Board (CREB) noted that further interest rate increases are expected to slow sales activity, with some slippage in price growth possible in 2023. CREB is forecasting a reduction in home sales in 2023, to 25,920, down from a record high in 2022 of 27,672. RBC forecasts that Alberta will avoid a recession in 2023, and forecasts 1.9% growth in 2023, a marked deceleration from the 4.9% rate projected for 2022. Given the changing market conditions and general economic uncertainty, Genesis remains cautious in planning and executing its strategic and business plans.

Genesis Annual Meeting

Genesis will hold its annual general meeting on May 18, 2023 at 9 am (Mountain Daylight Time). The meeting will be held as a virtual only shareholders meeting.

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, 2022 and 2021 and the related Management's Discussion and Analysis ("MD&A") dated March 2, 2023 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.

About Genesis

Genesis is an integrated land developer and residential home builder with a strategy to grow its portfolio of well-located, entitled and unentitled primarily residential lands and serviced lots throughout the Calgary Metropolitan Area.

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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, Genesis' strategy; the ability to take advantage of growth opportunities; anticipated general economic and business conditions (including prospects for the local economy); ; 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 and inflation rates; ability to access and raise capital on favorable 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; labor 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.