

GENDIS INC. ANNOUNCES FOURTH QUARTER RESULTS AND ANNUAL RESULTS

Winnipeg, Manitoba (April 10, 2017) - Gendis Inc. (TSX:GDS) today announced its financial results for the 4th quarter and fiscal year ended January 31, 2017.

Revenue for the 4th quarter was \$1,636,000 compared to \$1,285,000 for last year's 4th quarter. Revenue less expense for the 4th quarter was a loss of \$52,000 compared to income of \$531,000 for last year's 4th quarter. Net earnings for the 4th quarter was \$4,010,000 (\$0.31 per share) compared to a net loss of \$6,586,000 (\$0.52 per share) for last year's 4th quarter.

Revenue for the year was \$5,377,000 compared to \$5,429,000 last year. Revenue less expense for the year was \$477,000 compared to \$1,620,000 last year. Net earnings for the year was \$13,025,000 (\$1.02 per share) compared to a net loss of \$16,977,000 (\$1.32 per share) for last year.

The volatility in net earnings quarter over quarter and for the year over year is primarily due to the change in fair value of security investments, primarily the Company's investments in Veresen, Osum and Input Capital, and the investment properties with the attendant effect on deferred income taxes. The decline in revenue for the year was primarily due to a significant vacancy in the Company's industrial property that occurred in the 2nd quarter of the year. The increase in revenue for the 4th quarter was due to securing replacement tenants. The decline in revenue less expense was primarily due the revenue variance and due to non-recoverable major repairs and maintenance expense for the Company's industrial property

Condensed summarized information is as follows:

in millions of Canadian dollars except per share in dollars	quarter ended		year ended	
	Jan 31 2017	Jan 31 2016	Jan 31 2017	Jan 31 2016
Revenue				
Lease rental	1.1	0.8	3.3	3.3
Income from securities	0.5	0.5	2.1	2.1
Total revenue	1.6	1.3	5.4	5.4
Expense				
Property	1.0	0.5	3.0	2.3
Administration & finance	0.7	0.3	1.9	1.5
Total expense	1.7	0.8	4.9	3.8
Total revenue less total expense	(0.1)	0.5	0.5	1.6
Fair value change:				
Veresen	2.1	(6.8)	10.5	(16.2)
Osum	1.1	(0.8)	1.1	(1.4)
Other security investments	(0.3)	(1.1)	(0.3)	(1.5)
Investment properties	1.5	0.9	1.6	(0.9)
Total fair value change	4.4	(7.8)	12.9	(20.0)
Income tax recovery (expense)	(0.4)	0.7	(0.3)	1.4
Net earnings (loss)	4.0	(6.6)	13.0	(17.0)
Net earnings (loss) per share	0.31	(0.52)	1.02	(1.32)

in millions of Canadian dollars	Jan 31 2017	Jan 31 2016
Fair value of investments:		
Veresen	26.4	16.0
Osum	5.8	4.8
Input capital	1.9	1.7
Other security investments	0.7	1.0
Investment properties	31.7	30.1
Other assets	1.2	1.8
Debt & payables	7.4	7.2
Deferred tax payable	0.4	–
Shareholders' equity	59.9	48.2

in millions of Canadian dollars	quarter ended		year-to-date	
	Jan 31 2017	Jan 31 2016	Jan 31 2017	Jan 31 2016
Cash flow from:				
Operations				
Cash receipts				
Lease rentals	0.8	0.7	3.4	3.5
Dividends & other receipts	0.8	0.5	2.3	2.3
Cash disbursements				
Property	(0.9)	(0.4)	(2.9)	(2.4)
Administration & finance expense	(0.7)	(0.4)	(1.8)	(1.8)
Income taxes recovered (paid)	–	–	0.6	(0.2)
Investing				
Proceeds on sales of investments	–	–	–	0.1
Purchase of investments	–	–	–	(0.3)
Expenditures on investment properties	–	–	0.1	(0.4)
Financing				
Debt advance	0.5	0.1	(0.1)	1.5
Purchase of share capital for cancellation	(0.1)	(0.1)	(0.1)	(0.9)
Dividends paid	(0.3)	(0.3)	(1.3)	(1.3)

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The Company holds a portfolio of commercial and industrial real estate properties in Canada, investments in exchange-traded securities and investments in the securities of private enterprises. Security investments are primarily in companies involved in pipelines and power plants, oil and gas development, canola crop marketing, & agricultural crop protection. The investments are held for income generation and long-term capital growth. The Company's business is organized in two operating segments, the Corporate operations and the Realty operations.

GENDIS INC.
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
At JANUARY 31

unaudited - in thousands of Canadian dollars	2017	2016
ASSETS		
Current assets		
Cash	162	110
Receivables	891	1,438
Total current assets	1,053	1,548
Non-current assets		
Investment in securities (note 2)	34,815	23,461
Investment properties (note 3)	31,740	30,130
Other non-current assets	142	306
Total non-current assets	66,697	53,897
Total assets	67,750	55,445
LIABILITIES		
Current liabilities		
Credit facilities (note 4)	4,997	5,098
Payables	1,447	1,151
Total current liabilities	6,444	6,249
Non-current liabilities		
Post employment benefit obligation	966	951
Deferred income tax payable	441	-
Total non-current liabilities	1,407	951
Total liabilities	7,851	7,200
Shareholders' equity	59,899	48,245
Total liabilities and shareholders' equity	67,750	55,445

GENDIS INC.
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED JANUARY 31

unaudited - in thousands of Canadian dollars except share data	quarter ended		year-to-date	
	2017	2016	2017	2016
Revenue				
Lease rentals	1,116	765	3,291	3,344
Income from securities	520	520	2,086	2,085
Total revenue	1,636	1,285	5,377	5,429
Expense				
Property	968	444	3,039	2,299
Administration	680	270	1,725	1,374
Finance	40	40	136	136
Total expense	1,688	754	4,900	3,809
Total revenue less total expense	(52)	531	477	1,620
Fair value change				
Investment properties	1,540	851	1,565	(880)
Investment in securities	2,961	(8,678)	11,318	(19,112)
Total fair value change	4,501	(7,827)	12,883	(19,992)
Net earnings (loss) before income tax	4,449	(7,296)	13,360	(18,372)
Income tax recovery (expense)	(439)	710	(335)	1,395
Net earnings (loss) from operations and comprehensive income (loss)	4,010	(6,586)	13,025	(16,977)
Net earnings (loss) from operations per share	0.31	(0.52)	1.02	(1.32)

GENDIS INC.

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

unaudited - in thousands - shares & Canadian dollars as applicable	Share Capital		Retained	Total
	#	\$	earnings	\$
Balance - January 31, 2015	13,046	13,713	53,667	67,380
Comprehensive loss to October 31, 2015			(10,391)	(10,391)
Purchase of share capital for cancellation	(220)	(230)	(558)	(788)
Dividends			(971)	(971)
Balance - October 31, 2015	12,826	13,483	41,747	55,230
Comprehensive loss for the quarter ended January 31, 2016			(6,586)	(6,586)
Purchase of share capital for cancellation	(25)	(26)	(54)	(80)
Dividend			(319)	(319)
Balance - January 31, 2016	12,801	13,457	34,788	48,245
Comprehensive income to October 31, 2016			9,015	9,015
Purchase of share capital for cancellation	(1)	(1)	(1)	(2)
Dividends			(960)	(960)
Balance - October 31, 2016	12,800	13,456	42,842	56,298
Comprehensive income for the quarter ended January 31, 2017			4,010	4,010
Purchase of share capital for cancellation	(31)	(34)	(55)	(89)
Dividend			(320)	(320)
Balance - January 31, 2017	12,769	13,422	46,477	59,899

GENDIS INC.
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED JANUARY 31

unaudited - in thousands of Canadian Dollars	quarter ended		year to date	
	2017	2016	2017	2016
Changes in cash position				
By operations				
Cash receipts				
Lease rentals	752	693	3,354	3,506
Dividends & other receipts	785	568	2,334	2,341
Cash disbursements				
Property	(878)	(444)	(2,897)	(2,389)
Administration	(703)	(380)	(1,712)	(1,726)
Income taxes recovered (paid)	-	-	637	(224)
Finance expense paid	(37)	(37)	(134)	(138)
Total by operations	(81)	400	1,582	1,370
By investing activities				
Proceeds from sale of investment in securities	4	-	4	125
Acquisition of investment in securities	-	-	-	(300)
Expenditures on investment properties	-	(30)	(45)	(433)
Net expenditures on furnishings and equipment	-	-	(16)	(31)
Total by investing activities	4	(30)	(57)	(639)
By financing activities				
Net advance of credit facilities	501	100	(102)	1,501
Purchase of share capital for cancellation	(88)	(79)	(91)	(867)
Dividends paid	(320)	(320)	(1,280)	(1,291)
Total by financing activities	93	(299)	(1,473)	(657)
Increase (decrease) in cash	16	71	52	74
Cash - beginning of period	146	39	110	36
Cash - end of period	162	110	162	110

Gendis Inc.

Notes to the unaudited Interim condensed Financial Statements

For the periods ended January 31

(All tabular amounts in thousands of Canadian dollars unless otherwise stated)

1. General information

General information on Gendis Inc. is the same as disclosed in Note 1 to the complete audited annual financial statements for the year ended January 31, 2017, which have been prepared in accordance with International Financial Reporting Standards. These interim condensed financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. The principal accounting policies applied in the preparation of these interim condensed financial statements are the same as set out in Note 2 to the complete audited annual financial statements for the year ended January 31, 2017. These policies have been consistently applied to all periods presented.

2. Investment in securities

	fair value change		fair value	
	2017	2016	2017	2016
Veresen	10,480	(16,160)	26,440	15,960
Osum	1,079	(1,374)	5,838	4,759
Input Capital	210	(950)	1,910	1,700
Other security investments	(451)	(628)	627	1,042
	11,318	(19,112)	34,815	23,461

3. Investment properties

	fair value change		fair value	
	2017	2016	2017	2016
Industrial	1,365	(997)	24,890	23,480
Commercial	200	117	6,850	6,650
	1,565	(880)	31,740	30,130

4. Credit facilities

	Borrowing Balance		Remaining borrowing availability		Carrying value of collateral	
	2017	2016	2017	2016	2017	2016
Banker's credit facility	4,997	5,098	5,000	2,289	24,504	14,778
Broker's margin account	—	—	979	591	1,958	1,199
	4,997	5,098	5,979	2,880	26,462	15,977

5. Subsequent Event

On March 3, 2017, the Company declared a regular dividend of 2.5¢ per share to shareholders of record March 18, 2017, payable April 7, 2017.

6. Operating segments

	Quarter	Realty	Corporate	Inter- segment	Total
	Ended Jan 31				
Revenue	2017	1,133	730	(227)	1,636
	2016	782	728	(225)	1,285
Property & administration expense	2017	1,028	697	(77)	1,648
	2016	507	287	(80)	714
Finance expense	2017	150	40	(150)	40
	2016	145	40	(145)	40
Total revenue less total expense	2017	(45)	(7)	—	(52)
	2016	130	401	—	531
Fair value change	2017	1,540	2,961	—	4,501
	2016	851	(8,678)	—	(7,827)
Income tax recovery (expense)	2017	(278)	(161)	—	(439)
	2016	(197)	907	—	710
Net earnings (loss) & Comprehensive income (loss)	2017	1,217	2,793	—	4,010
	2016	784	(7,370)	—	(6,586)

	Year	Realty	Corporate	Inter- segment	Total
	Ended Jan 31				
Revenue	2017	3,360	2,919	(902)	5,377
	2016	3,413	2,918	(902)	5,429
Property & administration expense	2017	3,278	1,795	(309)	4,764
	2016	2,551	1,443	(321)	3,673
Finance expense	2017	593	136	(593)	136
	2016	581	136	(581)	136
Total revenue less total expense	2017	(511)	988	—	477
	2016	281	1,339	—	1,620
Fair value change	2017	1,565	11,318	—	12,883
	2016	(880)	(19,112)	—	(19,992)
Income tax recovery (expense)	2017	(173)	(162)	—	(335)
	2016	(4)	1,399	—	1,395
Net earnings (loss) & Comprehensive income (loss)	2017	881	12,144	—	13,025
	2016	(603)	(16,374)	—	(16,977)

Total assets	2017	32,621	58,022	(22,893)	67,750
	2016	30,870	46,030	(21,455)	55,445
Total liabilities	2017	23,812	6,932	(22,893)	7,851
	2016	22,441	6,214	(21,455)	7,200