

Form 51-102F3
Material Change Report

Item 1. Name and Address of Company

CIBT Education Group Inc. (the “Company”)
Suite 1200, 777 West Broadway
Vancouver, BC, V5Z 4J7

Item 2. Date of Material Change

November 29, 2018

Item 3. News Release

A news release dated November 29, 2018 was disseminated through Filing Services Canada.

Item 4. Summary of Material Change

The Company filed on SEDAR its annual audited consolidated financial statements (the “**Annual Financial Statements**”) and related Management’s Discussion & Analysis (collectively, the “**2018 Financial Report**”) for the fiscal year ended August 31, 2018. This material change report should be read in conjunction with the 2018 Financial Report in its entirety. The 2018 Financial Report is available under the Company’s profile at www.sedar.com.

Item 5.1 Full Description of Material Change

The Company reported that it has filed on SEDAR the 2018 Financial Report. This material change report should be read in conjunction with the 2018 Financial Report in its entirety which is available under the Company’s profile at www.sedar.com.

The following table presents selected financial data from the 2018 Financial Report:

	Year Ended August 31, 2018	Year Ended August 31, 2017	Absolute Change	Percentage Change
Total revenues	\$ 74,899,921	\$ 53,557,863	\$ 21,342,058	40%
Educational revenues – SSCC	\$ 34,383,836	\$ 27,953,447	\$ 6,430,389	23%
Educational revenues – SSLC / VIC	\$ 12,984,992	\$ 8,030,989	\$ 4,954,003	62%
Educational revenues – CIBT China	\$ 2,115,193	\$ 1,726,461	\$ 388,732	23%
Design and advertising revenues – IRIX	\$ 1,096,658	\$ 998,824	\$ 97,834	10%
Commissions and referral fees – GEA	\$ 903,903	\$ 852,172	\$ 51,731	6%
Rental revenues – GECH	\$ 10,609,929	\$ 8,623,826	\$ 1,986,103	23%
Development fees – GECH and Corporate	\$ 12,805,410	\$ 5,372,144	\$ 7,433,266	138%
Other operating expenses	\$ 34,469,298	\$ 26,077,436	\$ 8,391,862	32%
Other income (expense)	\$ 40,830,002	\$ 6,836,833	\$ 33,993,169	497%
Gain on change in fair value of investment properties ⁽¹⁾	\$ 43,497,343	\$ 10,470,322	\$ 33,027,021	315%
Income before income taxes	\$ 52,353,840	\$ 10,175,116	\$ 42,178,724	415%
Net income	\$ 45,371,165	\$ 8,284,034	\$ 37,087,131	448%
EBITDA (non-IFRS)	\$ 57,496,544	\$ 13,120,306	\$ 44,376,238	338%
Net income per share - CIBT Education Group Inc. shareholders – basic and diluted	\$ 0.25	\$ 0.03	\$ 0.22	733%

(1) Included as part of non-operating income (expense) in the Annual Financial Statements.

	For the years ended August 31,		
	2018	2017 ⁽¹⁾	2016
Total revenues	\$ 74,899,921	\$ 53,557,863	\$ 36,114,144
Cost of operations	\$ 28,906,785	\$ 24,142,144	\$ 16,785,812
Gross margin	\$ 45,993,136	\$ 29,415,719	\$ 19,328,332
Other operating expenses	\$ 34,469,298	\$ 26,077,436	\$ 20,726,020
Operating income (loss)	\$ 11,523,838	\$ 3,338,283	\$ (1,397,688)
Other income (expense)	\$ 40,830,002	\$ 6,836,833	\$ 12,068,276
Income before income taxes	\$ 52,353,840	\$ 10,175,116	\$ 10,670,588
Income tax provision	\$ (6,982,675)	\$ (1,891,082)	\$ (1,455,174)
Net income	\$ 45,371,165	\$ 8,284,034	\$ 9,215,414
Net income per share - CIBT Education Group Inc. shareholders – basic and diluted	\$0.25	\$0.03	\$0.06
Total assets	\$ 340,836,632	\$ 166,918,288	\$ 102,346,541
Total non-current liabilities	\$ 95,392,438	\$ 30,207,667	\$ 31,067,836

⁽¹⁾ Reflects adjustments associated with business combination accounting finalized during measurement period for KGIC assets.

Noteworthy highlights for the fiscal year ended August 31, 2018, are as follows:

- Total revenue increased by 40%
- Combined education revenues of all schools increased by 31%
- Student housing rental income increased by 23%
- Development fee revenues associated with student housing increased by 138%
- Gain on fair value changes in investment properties increased by 315%
- Total assets increased by 104%
- Total non-current liabilities increased by 216%
- EBITDA (Non-IFRS) - Earnings Before Interest Taxes Depreciation Amortization increased by 338%
- Net Income per share attributable to CIBT shareholders increased by 733%
- Cash and cash equivalents increased by 383% to \$33.2 million

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102, state the reasons for such reliance.

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Toby Chu, Chief Executive Officer
Telephone: 604 871 9909 ext. 308

Item 9. Date of Report

December 7, 2018