CIBT Subsidiary Limited Partnership Signs Formal Agreement to Sell Property for $70 Million

Vancouver, British Columbia--(Newsfile Corp. - December 3, 2019) - CIBT Education Group Inc. (TSX: MBA) (OTCQX: MBAIF) ("**CIBT**" or the "**Company**") is pleased to report that one of its limited partnership subsidiaries has signed a formal purchase and sale agreement to sell one of its GEC® branded properties (the "**Property**") for $70 million. As part of the transaction, Global Education City Management Corp., a wholly-owned subsidiary of the Company, will enter into a master lease agreement with the purchaser to continue operating the Property under GEC® brand and generate rental income for ten years. The sale is expected to close in May 2020, subject to the satisfaction of a number of conditions. Additional details will be provided following the removal of the conditions precedent in January 2020.

"We are pleased to exit another project with double-digit returns to CIBT and the other investors in the applicable limited partnership within 24 months," commented Toby Chu, Chairman, President and Chief Executive Officer of CIBT. "We consider the exit value of this project attractive, and the return on investment is compelling, having taken into account an investment capital of $16 million and a gross profit of $13 million generated in two years."

"Our recent exit transactions have created wealth and substantial returns for both CIBT and the other limited partnership investors but most importantly, are the validation of our business model of consistently creating and adding value to a property. We will be deploying CIBT's portion of the cash profit generated from this transaction into several exciting new GEC® projects in the very near future by taking a larger ownership position in each project while adding more properties to our portfolio.

"Our business model is to purchase underperforming properties, re-design and increase the rental density, fill the property through our global pipeline of students, increase income generated by the property, stabilize the business, and exit at a substantially higher value when attractive divestment opportunities arise while staying on as master lease tenant for five to twenty-one years under our GEC® brand so that we can continue to earn recurring rental income. We intend to stick to this business model, expand our GEC® branded property portfolio, and increase the Company's ownership position in its subsidiary limited partnership."

About CIBT Education Group:

CIBT Education Group Inc. is one of the largest education, and student housing investment companies in Canada focused on the global education market since 1994. Listed on the Toronto Stock Exchange and U.S OTCQX International, CIBT owns business and language colleges, student housing properties, recruitment centres and corporate offices at 45 locations in Canada and abroad. Total annual enrollment for the group exceeds 12,000 students. Its education providers include Sprott Shaw College (established in 1903), Sprott Shaw Language College, Vancouver International College and CIBT School of Business. Through these schools, CIBT offers business and management programs in healthcare, hotel management, language training, and over 150 career, language and vocational programs. CIBT owns Global Education City Holdings Inc. ("**Global Education**"), an investment holding and development company focused on developing education related real estate such as student hotels, serviced apartments and education centres. Total portfolio and development budget of projects under Global Education's GEC® brand is in excess of C$1 billion. The various GEC® properties provide accommodations to over 1,500 students and other tenants. CIBT also owns Global Education Alliance ("**GEA**") and Irix Design Group ("**Irix Design**"). GEA recruits international students on behalf of many elite kindergartens, primary and secondary schools, colleges and universities in North America. Irix Design is a leading design and advertising company based in Vancouver, Canada. Visit us online and watch our corporate video at www.cibt.net.

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<u>FORWARD-LOOKING STATEMENTS</u>

Some statements in this news release contain forward-looking information (the "**forward-looking statements**") about CIBT Education Group Inc. and its plans. Forward-looking statements are statements that are not historical facts. Forward-looking statements in this news release include (without limitation) the anticipated closing of the property sale and lease-back described in this news release that properties will continue to be added to the Company's portfolio and that the Company will increase its ownership in its subsidiary limited partnerships. The forward-looking statements are subject to various risks, uncertainties and other factors that could cause CIBT's actual results or achievements to differ materially from those expressed in or implied by forward-looking statements, including but not limited to the negotiation of a lease-back agreement in respect of the property sale described in this news release, the availability to CIBT of uncommitted funds with which to increase its ownership interest in its subsidiary limited partnerships, usual construction risks, obtaining all necessary regulatory approvals, and the ability of CIBT's subsidiary limited partnerships to raise further funds as they are needed. Forward-looking statements are based on the beliefs, opinions and expectations of CIBT's management at the time they are made, and CIBT does not assume any obligation to update its forward-looking statements if those beliefs, opinions or expectations, or other circumstances should change, except as may be required by law.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/50325