



**CIBT EDUCATION GROUP INC.**

**MANAGEMENT'S DISCUSSION & ANALYSIS**  
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS UNLESS OTHERWISE STATED)

**FOR THE YEAR ENDED AUGUST 31, 2022**

**CIBT EDUCATION GROUP INC.**  
(the “Company” or “CIBT”)  
**MANAGEMENT’S DISCUSSION & ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

The following Management’s Discussion & Analysis (“MD&A”) is prepared in accordance with Form 51-102F1 and should be read in conjunction with the Company’s consolidated financial statements and related notes for the year ended August 31, 2022 which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The comparatives in this MD&A have been presented in accordance with IFRS. Additional information about the Company and its subsidiaries, including its annual information form, is available under the Company’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

**FORWARD-LOOKING INFORMATION**

This MD&A contains certain forward-looking statements, which relate to future events or the Company’s future performance that include terms such as “will”, “intend”, “anticipate”, “could”, “should”, “may”, “might”, “expect”, “estimate”, “forecast”, “plan”, “potential”, “project”, “assume”, “contemplate”, “believe”, “shall” and similar terms. These statements involve known and unknown risks, uncertainties and other factors that are beyond the Company’s control, which may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

The forward-looking statements (and their underlying material factors or assumptions) in this MD&A include, without limitation, the following:

1. The Company expects that international student enrolment will increase in Fiscal 2023 above levels experienced in 2022: the underlying material factors or assumptions is that students will continue to pursue education in increasing numbers and travel restrictions will not be reimposed.
2. The Company expects that it will continue to meet obligations as they become due: the underlying material assumption is that the Company will continue to generate cash from operations and be able to secure new equity or debt financing under reasonable terms and/or refinance existing borrowings as required.
3. Development fees are expected to be a recurring source of revenues: the underlying material assumption is that the Company’s real estate business will continue to expand.
4. The Company’s plans for the proposed GEC<sup>®</sup> real estate projects: the underlying material factors or assumptions are that sufficient equity financing is raised from the investment community and that the applicable limited partnerships are able to secure new loans and to refinance existing loans upon their maturities to enable the purchase and development of the projects; that the relevant municipalities are receptive to the proposed building plans; that these projects can be built or acquired for a price determined reasonable by the Company and its investment partners; there are no significant municipal and provincial government policy changes, and these projects can be completed in a reasonable amount of time as determined by the Company and the developers.

The Company believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These forward-looking statements apply as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances except as required by applicable securities law.

Reference should also be made to the risks described herein under the heading “Risks Related to the Company’s Business” for a discussion of these and other sources of factors underlying forward-looking statements and those additional risks set forth under the heading “Risk Factors” and elsewhere in the Company’s annual information form for the year ended August 31, 2022 which is available under the Company’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

**All figures are in thousands of Canadian dollars except share and per share data unless otherwise noted.**

This MD&A has been prepared as of November 29, 2022. In this MD&A, the following terms have the meanings shown:

“**Annual Financial Statements**” means the Company’s consolidated financial statements for Fiscal 2022.

“**Annual MD&A**” means the Company’s MD&A for the year ended August 31, 2022.

“**Fiscal 2023**” means the fiscal year ending August 31, 2023.

“**Fiscal 2022**” means the fiscal year ended August 31, 2022.

“**Fiscal 2021**” means the fiscal year ended August 31, 2021.

“**Fiscal 2020**” means the fiscal year ended August 31, 2020.

“**Q1 2022**” means the three months ended November 30, 2021.

“**Q2 2022**” means the three months ended February 28, 2022.

“**Q3 2022**” means the three months ended May 31, 2022.

“**Q4 2022**” means the three months ended August 31, 2022.

“**Q1 2021**” means the three months ended November 30, 2020.

“**Q2 2021**” means the three months ended February 29, 2021.

“**Q3 2021**” means the three months ended May 31, 2021.

“**Q4 2021**” means the three months ended August 31, 2021.

## **NON-IFRS FINANCIAL MEASUREMENTS**

The Company has included certain non-IFRS financial measures and non-IFRS ratios throughout this document including: (a) Earnings before Interest, Taxes, Depreciation and Amortization (“**EBITDA**”); (b) Adjusted EBITDA which is EBITDA adjusted for the gain (loss) on change in fair value of the Company’s investment properties, the provision for expected credit losses on development and other assets, the impairment of development assets, and the gain (loss) on change in fair value of derivative instruments; and (c) Gross Profit (“**Gross Profit**”) which is the difference between revenue and direct costs of sales and, and gross margin (“**Gross Margin**”) which is a non-IFRS ratio calculated as Gross Profit, divided by revenue, expressed as a percentage. These non-IFRS financial measurements do not have any standardized meaning as prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Accordingly, these performance measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management uses EBITDA and Adjusted EBITDA metrics to measure the profit trends of the business units and segments in the consolidated group since it eliminates the effects of financing decisions. Management uses Gross Profit and Gross Margin to assess how efficiently the Company generates profit from the sale of goods or services. Certain investors, analysts and others utilize these non-IFRS financial metrics in assessing the Company’s financial performance. These non-IFRS financial measurements have not been presented as an alternative to net income (loss) or any other financial measure of performance prescribed by IFRS. Further information on non-IFRS specified financial measures have been provided starting on page 17 of this MD&A.

**Date of Report – November 29, 2022**

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**CIBT EDUCATION GROUP INC.**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR YEAR ENDED AUGUST 31, 2022**

## NATURE OF BUSINESS

CIBT is one of the largest education and student housing investment companies in Canada, focused on the domestic and global education market since 1994. The Company's common shares are listed on the Toronto Stock Exchange (the "TSX") under the trading symbol "MBA" and quoted on United States ("U.S.") OTCQX-International under the trading symbol "MBAIF."

The Company owns business and language colleges, student-centric rental apartments, recruitment centres and has corporate offices at 45 locations in Canada and abroad. CIBT offers over 150 educational programs in health care, business management, e-commerce, cyber-security, hotel management, and language training via its education subsidiaries. Its real estate business provides rental housing and provides accommodation service to 90 schools in Metro Vancouver, serving domestic and international students from 71 countries. In 2022, the Company provided educational and housing services to nearly 10,000 students through its 45 locations. The Company controls and is an investor in limited partnerships that own a network of serviced apartments and one hotel. Certain subsidiaries of the Company act as general partner and manager to these limited partnerships.

The Company's operating entities are as follows:

Legal / Operating Entity	Business Description
Global Education City Holdings Inc. ("GECH")	Investment holding, development and management company with a focus on real estate projects such as serviced apartments and hotels for domestic and international students as well as corporate housing in Metro Vancouver
Sprott Shaw College Corp. ("SSCC")	Private career and technical training college offering diplomas and certificates in health care, tourism, hospitality, business, administrative, technical trades, and international studies in Canada
Sprott Shaw Language College ("SSLC") and Vancouver International College Career Campus ("VIC")	English as a Second Language College, offering accredited programs such as General English (ESL), College Preparation/Pathway, Business English, Medical English, English Language Test Preparation, Vacation English and Online English  Career-training College, offering accredited programs in the following fields: Business Management, Customer Service, TESOL Teacher Training; Interpreting and Translation for Koreans and Online English Teacher Training
Global Education Alliance Inc. ("GEA")	Recruitment of international students and on-ground concierge services for elite kindergarten, primary, secondary school and university students coming to study in North America
CIBT School of Business & Technology Corp. ("CIBT China")	College program provider offering automotive technical training, English teacher preparation, English as Second Language, and accounting programs in China
IRIX Design Group Inc. ("IRIX")	Design and advertising company which mainly services the real estate industry

The Company's primary business units consist of three categories with Corporate (head office) as the supporting hub: *Education related real estate*: GECH; *Education*: SSCC, SSLC/VIC, GEA, and CIBT China; and *Media*: IRIX.

## FOURTH QUARTER AND FULL YEAR HIGHLIGHTS

Starting in Q2 2022, COVID-19 related restrictions were further lifted which has aided in a recovery of many segments of the Company's business. Canada reopened its border to non-essential travel for fully vaccinated visitors in September 2021. Starting from the September 2021 semester, many international students commenced classes which was reflected in the substantial growth of SSLC/VIC revenue. A percentage of international students chose to defer return to class until the spring 2022 semester and a steady stream of domestic and international students have returned to class throughout Fiscal 2022. Effective October 1, 2022, all remaining Canadian travel restrictions were lifted and vaccination is no longer required to enter Canada; however, it is possible that travel restrictions could return. Restrictions in China continue to occur. Companies throughout the world, including the Company, continue to be impacted by staff shortages, supply shortages, and increased costs for goods and services. References to COVID-19 are made throughout this MD&A to describe significant changes in financial results.

## Real estate portfolio and transactions

During Fiscal 2022, the Company continued to receive offers from parties interested in buying certain of the Company's properties given the strong demand and low supply for revenue producing properties. The decision to sell a property will be based on the price offered and other terms and conditions related to the future management of a property after any potential sale. At the date of this report there are no binding deals in place for any of the GEC<sup>®</sup> properties. Despite a promising rental environment, inflation and prime rate increases continue to create economic uncertainty. The Company is also impacted by delays at various city departments which in turn impacts the activity on properties under development and the recognition of development fees.

Except for GEC<sup>®</sup> Viva, the Company's subsidiaries hold equity in and control the limited partnerships that beneficially own the property comprising the Company's education related real estate projects.

### GEC<sup>®</sup> King Edward

Construction is in progress. Occupancy was originally expected to occur in September 2022 in time for the fall 2022 school semester; however, based on the current construction schedule the building will be completed and available for rent before March 2023. This will add approximately 190 beds to the Company's portfolio. The Company expects that once complete, the fair value will increase substantially.

### GEC<sup>®</sup> Oakridge

In November 2022, the GEC<sup>®</sup> Oakridge development project received Enactment of Bylaw approval from the City of Vancouver. The Company expects the development and building permit will be issued within 90 days from the date of this report. The Project is a planned 18-storey concrete residential rental tower that accommodates 475 occupants which will add to the Company's current portfolio and result in increased rental and development fee revenues.

### GEC<sup>®</sup> Langara

In November 2022, the Company formed a new limited partnership associated with a new project called GEC<sup>®</sup> Langara, with plans to purchase a property near the Cambie Street Canada Line station.

### GEC<sup>®</sup> Richmond ("Project 9")

In February 2018, a subsidiary of the Company, Global Education City (Richmond) Limited Partnership ("**GEC LP9**"), entered into a purchase contract and paid a total of \$60,000 in deposits to purchase two of the seven buildings to be constructed at the Atmosphere Project in Richmond, British Columbia. The developer has been unable to meet its construction schedule and in September 2021, the building permits for the initial construction of the buildings' foundation expired after a period of inactivity. At August 31, 2021, the Company expected to fully realize the entire amount of the receivable due from the developer and the deposit to be applied to the purchase price upon completion based on the value of collateral securing the amounts.

On April 1, 2022, the developer and its partners (collectively, the "**Developer**") applied for and were granted an initial order to commence proceedings under the Canadian *Companies' Creditors Arrangement Act* (the "**CCAA**") to restructure its business. A hearing in the Supreme Court of British Columbia (the "**Court**") was scheduled in late April at which time the Developer, under supervision of the Court, was to determine whether the project would be restructured or sold. The Court has extended the stay period several times with the latest extension to December 9, 2022. In addition, the Court approved the sales and investment solicitation process and subsequent to August 31, 2022, the bid deadline expired. The outcome of the CCAA proceedings may not be known until December 2022 or later. At August 31, 2022, it was not known whether there would be a successful bid for the purchase of the property or restructuring of the project; however, based on information presented in the proceedings, there is the possibility that GEC LP9 may not be repaid any portion of the original \$60,000 deposit plus accrued interest, despite the amount being secured by a third mortgage against the Developers' property.

Of the original \$60,000 deposit plus accrued interest, GEC LP9 has recognized an expected credit loss provision of \$22,700 related to the receivable due from the developer of \$26,000 based on its best estimate of recovery. The provision is classified as Provision for expected credit losses on development and other assets in the consolidated statement of comprehensive income (loss) for Fiscal 2022. In addition, the Company recognized an impairment loss of \$40,000 associated with a refundable deposit paid to the Developer, which is classified as Impairment of development assets in the consolidated statement of comprehensive income (loss) for Fiscal 2022. These impairments have significantly skewed the results for Q4 2022 and Fiscal 2022 and are not reflective of continuing operations.

The Company will continue to explore options related to the project under the CCAA process, including partnering with other developers to ultimately construct the project, with any such possible outcomes being subject to approval of the Court. On October 6, 2022, GEC LP9 and its general partner filed a notice of civil claim with the Court commencing legal action against the mortgage lender for the project. If successful, this would result in the Company receiving some or all of the amounts for

which a provision or impairment loss have been recognized. However, as the Company cannot estimate the result or the timing thereof, these balances were impaired at August 31, 2022 based on facts and circumstances and best information available at August 31, 2022. The Company will re-evaluate the expected credit loss provision and recoverable amount of development and other assets at the end of each reporting period. Any increases in the estimated amounts as a result of management activity or new information, which occurs in future periods, may result in a partial or full reversal of the provision and impairment recognized in Fiscal 2022, which will be recognized in the period the assessment is made.

### ***Investment Property Fair Value***

Investment properties are measured initially at cost, including transaction costs. After initial recognition, the Company has chosen to apply the fair value model and as such is required to measure all its investment properties at fair value, with any gain or loss arising from a change in the fair value of investment properties required to be recognised in net income (loss) in the period of change. For clarity, this means that changes in the fair value of an investment property are recognized in the consolidated financial statements of the Company at the end of each reporting period. Management determines the fair value of investment properties on a quarterly basis and obtains independent appraisals on an annual basis to support the fair value. As a result, when the property is sold gains or losses on disposition are generally not significant.

The fair value of investment properties at August 31, 2022 was \$356,335 (August 31, 2021 - \$322,606). During Fiscal 2022, the Company capitalized developments costs of \$13,702 and interest costs of \$11,235 associated with properties under development (Fiscal 2021 - \$8,740 and \$10,221). The majority of development costs were associated with the GEC® King Edward and Global Education Mega Center®. During Fiscal 2022, the Company recognized net fair value gains on investment properties of \$8,650 (Fiscal 2021 - \$8,802). For Fiscal 2022, this amount includes the loss of \$1,949 associated with the right-of-use investment property (Fiscal 2021 – loss of \$1,448). Note 5(b) to the Annual Financial Statements includes a sensitivity analysis of the impact of changes of key inputs and assumptions on the fair value of investment properties.

### **Borrowings**

During Fiscal 2022, limited partnerships controlled by the Company borrowed \$28,244 under financing arrangements and repaid existing loans under secured mortgages of \$7,391. The Company's limited partnerships also issued units on conversion of convertible promissory notes in lieu of repayment of those notes. During Fiscal 2022, conversion of convertible promissory notes resulted in the non-controlling ownership interest of GEC Marine Gateway Limited Partnership increasing from zero to 80% on the transaction date. During Fiscal 2021, conversion of convertible promissory notes resulted in the non-controlling ownership interest of GEC Oakridge Acquisition Limited Partnership increasing from zero to 80% on the transaction date. The Company also extended the maturity date of the corporate bonds, repaid its credit line, and repaid \$985 of convertible debt which matured during the year.

During Q4 2022 and in other periods of Fiscal 2022, limited partnerships controlled by the Company modified the terms of various financing arrangements to change maturity dates, interest rates, or both, and also borrowed additional funds under new or revised financing arrangements. IFRS requires a Company to remeasure the debt instrument at the present value of the estimated cash flows under the modified agreement and compare these to the present value of the original cash flows at the date of modification to determine the required treatment. During Fiscal 2022, non-cash gains of \$2,759 on non-substantial modifications of debt were recognized which are included in Finance costs in the consolidated statements of comprehensive income (loss).

The prime rate increased four times during Fiscal 2022 and an additional two times subsequent to August 31, 2022 to the date of this report and the Bank of Canada has indicated additional interest rate increases may occur in the future. At August 31, 2022, approximately 68% of the Company's debt portfolio has variable interest rates tied to the prime rate. During Q4 2022, minimum stated rates in debt agreements were exceeded and interest costs on variable interest rate debt increased. Up until the end of Q3 2022 for the majority of the Company's variable debt, interest rates did not increase above the stated minimum rates; therefore, there was a nominal impact on interest expense. The Company does anticipate interest costs will continue to increase in Fiscal 2023 and management is currently investigating ways to mitigate against these increases. See section "Liquidity and Capital Resources – Contractual Obligations" for further details.

### **INDUSTRY GROWTH PROSPECT**

Canada was ranked as the 2<sup>nd</sup> best country in the world for study abroad by educations.com's *Country Rankings 2022*<sup>1</sup>, and was ranked as the 4<sup>th</sup> best country for education out of 85 countries in the world by U.S. News.<sup>2</sup> In recent years, Canada has experienced a substantial increase in its international student count. The latest data from the *Canadian Bureau for International Education* reports there were 621,565 international students in Canada at all levels of study at the end of 2021 and very close to the 2019 number and significantly surpassing the Government of Canada target of 450,000 by 2022.<sup>3</sup> IRCC

<sup>1</sup> <https://www.educations.com/top-10-lists/top-10-places-to-study-abroad-global-18096>

<sup>2</sup> <https://www.usnews.com/news/best-countries/best-education>

<sup>3</sup> <https://www.international.gc.ca/gac-amc/publications/evaluation/2019/summary-sommaire-evaluation-education.aspx?lang=eng>

reported that 621,565 study permits were issued in 2021, up almost 17.7 per cent from the 528,190 in 2020. Growth has been greater in 2022, with 452,000 study permit applications having been processed from January 1, 2022 to the end of August 2022, which represents an increase of 23% on the same period last year.<sup>1</sup> This growing student population contributes more than \$21.6 billion annually to the Canadian economy and supports over 170,000 Canadian jobs. Canada's international student population has almost tripled over the past decade. According to the Canadian federal government publication *International Education Strategy 2019-2024*<sup>2</sup>, the government has budgeted \$149.7 million to be allocated over five years to growing and sustaining Canada's international education followed by \$8 million per year of ongoing funding to ensure that Canada will remain among the world's top destinations for learning.

Canada offers one of the world's most attractive packages to international students as they are eligible to work part time to support their expenses and gain work experience. Upon completion of their programs, students may choose to apply for post-graduate work permits and are offered various immigration pathways to stay in Canada. The high growth in demand from students in the emerging markets to study in countries like Canada, coupled with the Canadian government's support to attract more international students, presents the Company opportunities to use its infrastructure to further expand its market share.

In addition to the prospect of obtaining permanent residency, international students report that they are also attracted to Canada's high-quality education, multiculturalism, safety and other factors. According to Immigration, Refugees and Citizenship Canada (IRCC) data<sup>3</sup>, nearly half of all international students come from only two countries: India and China, while South Korea, France, Vietnam, the U.S., Iran, Brazil, and Nigeria have also been the feeder source of international students to Canada over the years. A growing trend for 2022 is the increasing influx of students from India into Canada for postgraduate study. In British Columbia, there are more than 143,000 international students according to the Ministry of Advanced Education and Skills Training. India ranks as the top source country, making up more than a third of the demographic.<sup>4</sup> International student numbers in Canada continued to rebound in 2021 and in 2022 to date.

The Company's language school business recovered rapidly throughout Fiscal 2022. There was a surge in registrations and enrollments for the fall 2022 semester as Canada re-opened its borders for international students late last year. International students who may have placed their study plans on hold during the pandemic are returning to campuses across the province, resulting in higher occupancy rates at GEC<sup>®</sup> rental properties. The Company has access to international students studying in Metro Vancouver through GEA's 100+ collaborative arrangements with various public and private schools as well as access to students through its schools in Canada and Asia. The Company plans for sufficient student-centric facilities to be built over a 10-year period to accommodate up to 10,000 students, which accounts for approximately 5% of the anticipated total international student population of approximately 200,000 students in Metro Vancouver by 2029.

In addition, domestic students can also benefit greatly from the student-centric facilities as many schools in Metro Vancouver do not provide housing options for their students, and those that do provide housing services have a limited number of beds available. According to CMHC 2021 Rental Market Report<sup>5</sup>, Metro Vancouver's vacancy rates decreased to 2019 levels amid higher demand, with only 1.2% for purpose-built rental properties and 0.8% for condominium rental properties. The return of students and increased migration to the region grew rental demand faster than supply. When the supply is insufficient to fill demand, housing prices would be expected to increase making it less affordable. Many potential buyers will remain in the rental market and as the supply of available rental accommodations decreases, the price of rents would be expected to increase.

With the mandate of educating students via SSCC and recruiting international students to study at SSLC and VIC and other partner schools, the Company aims to provide students with an enhanced learning experience supported by housing options. SSLC and VIC align strategically with the Company's extensive experience in the global education markets as well as the industry growth trend. The Company's business-to-consumer, or B2C model ("**B2C model**"), provides accommodation services to domestic and international students studying at any school through its own GEC<sup>®</sup> reservation and marketing platforms. The Company's business-to-business, or B2B model ("**B2B model**"), provides accommodation services to over 90 school partners in Metro Vancouver. These school partners, who do not own housing as it is capital intensive to build, commit to bulk leases at a fixed rate so that they can secure housing for their students while they complete their studies. These partners bundle their tuition with GECH's housing services to provide a holistic solution to their students.

The student housing market is an estimated \$1.12 billion market in British Columbia at an estimated average of \$10,000 per student.<sup>6</sup> The Company's potential target market is further expanded if domestic students are also accounted for in the number of students requiring housing in Metro Vancouver. The Company is striving to become more vertically integrated to capture the value of this market. The Company is actively working with developers to provide serviced apartments and hotels catering

<sup>1</sup> <https://www.immigration.ca/canada-study-permits-bounce-back-to-almost-pre-pandemic-levels/>

<sup>2</sup> <https://www.international.gc.ca/education/strategy-2019-2024-strategie.aspx?lang=eng>

<sup>3</sup> <https://studying-in-canada.org/canada-international-student-statistics/>

<sup>4</sup> <https://bc.ctvnews.ca/canada-s-international-student-population-climbs-in-part-due-to-strong-interest-from-india-1.6065973>

<sup>5</sup> <https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres>

<sup>6</sup> <https://www2.gov.bc.ca/assets/gov/education/post-secondary-education/data-research/stp/stp-international-research-results.pdf>

to both Canadian and international students and teaching faculty at various locations. As a secondary market, selected properties can also cater to visiting technology workers and working professionals. According to CBRE's high-profile annual ranking of North America's 50 tech markets, Vancouver had the highest percentage growth in the number of tech employees of these 50 cities - growing by 63%. In terms of actual total labour market size, Vancouver ranked 14th with 115,400 tech jobs in 2021.<sup>1</sup> Many working professionals arriving in Vancouver from across Canada, the U.S. and abroad require furnished mid to long-term rental accommodation until they find a more permanent residence. The pipeline for new rental development has slowed down substantially as building remains expensive which will only further restrict supply.

## **OUTLOOK FOR FISCAL 2023**

### **Education Business**

The Company's education services continue to evolve and adapt to meet the changing global environment. Overall, the education subsidiaries of the Company continue to remain nimble in the marketplace with a focus on providing high-quality education programs.

SSCC has seen a significant growth in non-traditional delivery platforms over the last couple of years, including both synchronous and asynchronous online delivery which has complimented the strong growth in funded programs. This trend is continuing in Fiscal 2023 with a particular focus among the Healthcare, Community, Child, and Youth faculties. As SSCC prepares to celebrate its 120th anniversary in 2023, it is also focused on expanding program options in the growing IT market where there is escalating demand. This program expansion is intended to keep SSCC at the forefront of the private education sector in British Columbia. While SSCC continues to adapt, the Company's domestic registrations are expected to slow down in Fiscal 2023 due to the active labour market which has rebounded after it was significantly impacted during Fiscal 2021 and Fiscal 2020.

SSCC is also expecting international registrations to continue to grow and is actively working with new markets to supplement its traditional strong recruiting presence in Asia. The international division has expanded its leadership as well as overseas staff presence with additional focus on Latin America and Europe. SSCC continues to actively develop and renew pathway programs and education options for students, domestic and international, with other university and college partners to support lifelong learning opportunities for graduates.

SSLC/VIC saw significant growth over Fiscal 2021 starting in Q2 2022 and is positioned for continued enrolment and revenue growth in Fiscal 2023 as it has not yet reached pre-pandemic enrolment levels or revenues. The number of nationalities represented by students attending SSLC/VIC has increased, with the largest enrolment of students coming from North America, South America, Europe, and Asia. SSLC continues to focus on language and related programs while VIC focuses on career diploma offerings for international students.

### **Student Centric Rental Housing Business**

GECH, which operates the rental housing business of the Company, expects to expand both its housing rental revenue and investment portfolio in Fiscal 2023. The students at its partner institutions and its own schools provide a customer source for the Company's student housing business. Since Canada's borders re-opened, the Company's business has recovered rapidly from COVID-19, with the occupancy rate having reached near-full capacity at all GEC® locations. Additionally, rental rates have increased significantly, surpassing pre-COVID levels. The completion of GEC® King Edward will add to the existing and growing GEC® portfolio with an average rent per square foot that is expected to be higher than market rental rates.

The Company's projects under development include GEC® King Edward, Global Education City® (Richmond), GEC® Cyber City, GEC Education Mega Center®, and GEC® Oakridge. Construction of the Global Education City® (Richmond) is not currently active. The timing of development of these projects is, in part, dependent on the approval of the respective municipalities for authorization of rezoning, development, building and occupancy permits depending on the stage of development for the project. GECH plans to continue adding more beds to its residential portfolio by focusing on completing the current projects under development, as well as acquiring under-valued residential assets. These projects will strategically expand the GEC® footprint, as well as contribute to the Company's development fee revenues throughout Fiscal 2023.

In addition, the Company plans to continue to utilize its existing education business and its global recruitment network as the base (B2C model), as well as forging new partnerships with other education institutions (B2B model) to provide tenants for GECH's student housing in Fiscal 2023. Specific institution and country risks are mitigated by tenants from diversified educational institutions and countries. GECH's scalable real estate business is designed to benefit the Company in the following ways: development fee revenues, steady stream of rental revenue, ongoing management fees, and fair value gains on investment property.

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<sup>1</sup> <https://dailyhive.com/vancouver/vancouver-tech-talent-north-america-best-2022>

**SELECTED ANNUAL INFORMATION AND REVIEW OF ANNUAL FINANCIAL RESULTS**

The table below presents financial performance of each main business unit of the Company for Fiscal 2022, Fiscal 2021, and Fiscal 2020 and compares Fiscal 2022 to Fiscal 2021. Information by business segment for Fiscal 2022 and Fiscal 2021 is presented in Note 30 to the Annual Financial Statements. This information should be read in conjunction with the Annual Financial Statements.

	Fiscal 2022	Fiscal 2021	Fiscal 2020	\$ Change 2022	% Change 2022 <sup>(2)</sup>
Total revenues	\$ 73,235	\$ 60,869	\$ 62,548	\$ 12,366	20
Gross margin <sup>(1)</sup>	57%	58%	59%		
Educational revenues – SSCC	\$ 39,784	\$ 40,282	\$ 37,036	\$ (498)	(1)
Gross margin – SSCC	58%	61%	62%		
Educational revenues – SSLC / VIC	\$ 10,173	\$ 3,280	\$ 7,173	\$ 6,893	210
Gross margin – SSLC / VIC	39%	16%	33%		
Educational revenues – CIBT China	\$ 2,577	\$ 2,671	\$ 2,666	\$ (94)	(4)
Gross margin – CIBT China	37%	35%	39%		
Rental revenues – GECH	\$ 18,547	\$ 9,878	\$ 10,016	\$ 8,669	88
Gross margin – GECH	65%	52%	53%		
Development fees – GECH and Corporate	\$ 588	\$ 3,134	\$ 4,540	\$ (2,546)	(81)
Design and advertising revenues – IRIX	\$ 581	\$ 996	\$ 716	\$ (415)	(42)
Gross margin – IRIX	74%	48%	78%		
Commissions and referral fees – GEA	\$ 985	\$ 628	\$ 401	\$ 357	57
Gross margin – GEA	61%	46%	54%		
Gross profit <sup>(1)</sup>	\$ 41,962	\$ 35,200	\$ 36,909	\$ 6,762	19
Other expenses	\$ (34,114)	\$ (33,956)	\$ (32,769)	\$ (158)	0
Finance costs	(8,467)	(12,513)	(8,168)	4,046	32
Net gain (loss) on investment property fair value changes	8,650	8,802	(5,730)	(152)	(2)
Other income, net	1,945	8,175	5,317	(6,230)	(76)
Provision for expected credit losses on development and other assets	(26,940)	-	-	(26,940)	n/a
Impairment of development assets	(40,000)	-	-	(40,000)	n/a
Income (loss) before income taxes	\$ (56,964)	\$ 5,708	\$ (4,441)	\$ (62,672)	(1,098)
Income tax recovery (expense)	1,194	(531)	(310)	1,725	325
Net income (loss)	\$ (55,770)	\$ 5,177	\$ (4,751)	\$ (60,947)	(1,177)
Net income (loss) attributable to CIBT shareholders	\$ (15,336)	\$ 4,703	\$ 1,229	\$ (20,039)	(426)
Income (loss) per share – CIBT shareholders					
Basic	\$ (0.22)	\$ 0.07	\$ 0.02	\$ (0.29)	(414)
Diluted	\$ (0.22)	\$ (0.01)	\$ (0.01)	\$ (0.21)	(2,100)
EBITDA [Non-IFRS] <sup>(1)</sup>	\$ (39,148)	\$ 21,409	\$ 9,119	\$ (60,557)	(283)
Adjusted EBITDA [Non-IFRS] <sup>(1)</sup>	\$ 18,652	\$ 12,775	\$ 14,468	\$ 5,877	46
Total assets	\$ 477,733	\$ 519,039	\$ 452,767	\$ (41,306)	(8)
Total non-current financial liabilities	\$ 78,572	\$ 99,639	\$ 99,794	\$ (21,067)	(21)

<sup>(1)</sup> Non-IFRS specified financial measure. See section “Non-IFRS Financial Measures” for more information on each non-IFRS specified financial measure. Gross margins reflected in the table above and referenced in the MD&A below as “Margins”, are defined in the section “Non-IFRS Financial Measures” on page 18 of this MD&A.

<sup>(2)</sup> Percentage change amounts reflect the relative change in the individual balance with the impact (negative or positive) on net income.

**Fiscal 2022 compared to Fiscal 2021****Educational**

Educational revenues predominately consist of tuition fees, sales of textbooks, supplies and related items, and other non-training services, which includes registration and administration fees. Deferred education revenues at August 31, 2022 were \$19,715 (August 31, 2021 - \$24,010) which primarily represents revenues which will be recognized as programs are provided by each education business over the next one to two fiscal years depending on the various types of programs. Overall education revenues increased by \$6,301 in Fiscal 2022 compared to Fiscal 2021. The Company's education subsidiaries recognized other income claimed from government sponsored subsidy programs of \$499 in Fiscal 2022 and \$2,579 in Fiscal 2021.

- Revenues for SSCC decreased nominally in Fiscal 2022 compared to Fiscal 2021. Domestic revenues, which include providing instruction to students under government funded programs, decreased nominally in Fiscal 2022. Management believes that there are now fewer domestic students as during the pandemic individuals took the opportunity to further their education when employment was not available; as work opportunities become available, enrollment is expected to decrease in some periods. SSCC's international revenues have started to increase; however, despite increased enrolment these revenues continue to be lower than pre-pandemic levels. The countries from which international students enrolled in these college level courses have changed in the course of the pandemic resulting in different enrolment patterns. Margins for SSCC decreased in Fiscal 2022 compared to Fiscal 2021 mainly as the result of increased teacher salaries in a difficult labour market.
- Revenues for SSLC/VIC increased in Fiscal 2022 mainly as the result of substantially higher international student enrolment compared to Fiscal 2021. Recovery of international student enrolment in language and career programs was slower than initially expected and outbreaks of new variants in the home countries of students may continue to delay progress; however, enrolment has increased in Fiscal 2022. The Company anticipates enrolment will continue to increase in Fiscal 2023 towards pre-pandemic levels. Margins increased substantially in Fiscal 2022 to 39% from 16% in Fiscal 2021. During Fiscal 2021, certain costs did not decrease proportionately with the reduced revenues and during Q2 2022, revenues started to increase which offsets these fixed costs. Including the impact of wage subsidies on direct costs, margins were 40% for Fiscal 2022 and 38% for Fiscal 2021.
- Revenues for CIBT China decreased nominally in Fiscal 2022 compared to Fiscal 2021. Certain teacher training services continue to be suspended due to travel restrictions at CIBT China's other divisions resulting in the overall decrease in revenues. Margins increased in Fiscal 2022 and are impacted by the mix of services provided as there are different margins by service. COVID-19 concerns and associated lock-downs continue to restrict local travels and student attendance in China.

**Real estate and student housing**

- Rental revenues have continued to rebound with rental revenues in each quarter of Fiscal 2022 higher than the same quarter of Fiscal 2021 across all operating properties. Rental revenues increased by \$8,669 in Fiscal 2022 compared to Fiscal 2021 as occupancy rates returned to and in some cases exceeded pre-COVID levels, with the largest relative increases at the Company's hotel property – GEC® Granville, as well as the GEC® Viva and GEC® Pearson rental properties. Higher overall revenue results from increased demand for units, including demand in the form of bulk leases to other partner institutions, resulting in higher occupancy coupled with higher rates in Fiscal 2022, as the promotions and rent inducements that were offered during a portion of Fiscal 2021 were discontinued.
- The Company's hotel property revenues represented 57% of the increase in revenues with those revenues increasing 178% in Fiscal 2022 compared to Fiscal 2021. The removal of travel restrictions and pent-up demand from travelers and students contributed to the increase.
- Margins increased in Fiscal 2022 to 65% from 52% in Fiscal 2021. As revenues increase, variable direct costs such as commissions associated with booking revenue, housekeeping, and utilities also increase; however, these costs did not increase in direct proportion to the increase in revenues. Fixed direct costs decreased nominally between the years. Margins at all properties increased in Fiscal 2022 compared to Fiscal 2021.
- During Fiscal 2022, development fees decreased by \$2,546 compared to Fiscal 2021 as there were no large scheduled contributions from limited partnerships' investors given the status of real estate projects.

**Other operating costs (general and administrative expenses, depreciation and amortization, and share-based payment expense)**

- General and administrative expenses increased by \$1,327 in total with fluctuations across all categories commensurate with operations. The most significant increases include an \$895 increase in salaries and benefits, a \$495 increase in advertising, travel and promotion and a \$493 increase in rent associated mainly with campus lease variable costs and associated taxes. These increases were offset by decreases of \$425 for office and general expense and \$55 for consulting and professional fees. Consulting and professional fees fluctuate based on the Company's transaction activity. Management continues to monitor spending; however, inflation is impacting the costs of key expenditures.
- Depreciation of property and equipment and amortization of intangible assets excluding agency fees, which are non-cash expenses, decreased by \$1,211 in Fiscal 2022 as certain property and equipment were fully depreciated at August 31, 2021.

**Finance costs**

Finance costs include interest expense on borrowings, finance fees (including accretion of finance fees and other), accretion of lease liabilities, debt modification gains and losses and changes in fair value of embedded derivatives. Total finance costs decreased in Fiscal 2022 from Fiscal 2021 as a result of the following:

- Total interest expense decreased by \$639 which is impacted by changes in the mix of borrowings, interest rates, financing fees and interest related to lease liabilities. Total interest expense on debt including the amount capitalized to investment properties increased by \$460 in Fiscal 2022 compared to Fiscal 2021 as a result of increased interest paid on variable interest rate debt offset by lower interest paid on certain convertible debt and promissory notes which were repaid or converted during Fiscal 2022.
- During Fiscal 2022, the Company recognized \$2,759 of non-cash debt modification gains associated with modifying debt agreements. In Fiscal 2021, debt modification gains of \$1,115 were classified as other income, net.
- During Fiscal 2022, there were non-cash unrealized fair value gains on embedded derivatives of \$490 compared to \$168 of losses in Fiscal 2021 associated with the Company's Hong Kong dollar denominated convertible debentures.

**Net gain (loss) on fair value changes in investment properties**

- As described in the section "Fourth Quarter and Full Year Highlights – Real estate portfolio and transactions - Investment Property Fair Value" above, during Fiscal 2022 the fair value of the investment properties held by the Company increased. The most significant increases were associated with revenue producing properties or properties under development nearing completion. The fair value for certain properties under development did not change significantly from Fiscal 2021; however, fair value losses were recognized as for some properties borrowing and development costs capitalized exceeded fair value increases.
- In addition, there was a fair value loss of \$1,949 associated with the GEC® Viva right-of-use asset classified as an investment property in Fiscal 2022 compared to a loss of \$1,448 in Fiscal 2021. The fair value of the right-of-use asset, not the entire property, is remeasured each reporting period based on remaining cash flows receivable under the lease at the applicable discount rate. The Company expects, as the remaining cash flows receivable under the lease continue to decline as a function of time, that there will be a fair value loss each reporting period until the end of the lease which will reduce the right-of-use asset to zero. In September 2022, the lease was extended to December 2023.

**Other income, net**

During Fiscal 2022, other income, net, decreased by \$6,230 from Fiscal 2021. Given the non-recurring nature of certain items in this financial statement category, fluctuations between comparative years are expected. Changes between Fiscal 2022 compared to Fiscal 2021 include:

- Interest income and other income decreased by \$3,562 mainly as the result of lower interest income and change in classification of debt modification gains which were classified as finance costs in Fiscal 2022.
- Total government subsidies were \$556 in Fiscal 2022 compared to \$3,378 in Fiscal 2021. There were no amounts claimed in the second half of Fiscal 2022 as government programs have now ended.
- During Fiscal 2021, non-cash impairment charges on intangible assets and goodwill of \$410 were recognized related to the decline in international student enrolment for the language schools due to border closures. There was no impairment recognized for Fiscal 2022.

**Provision for expected credit losses on development and other assets**

In Q4 2022, the Company recognized an expected credit loss provision of \$22,700 associated with the receivable due from the Developer as further described in the section above, “Fourth Quarter and Full Year Highlights – Real estate portfolio and transactions – GEC® Richmond” and in Note 6 and Note 23(b) to the Annual Financial Statements. In addition, in Q4 2022, GEC LP9 recognized an expected credit loss provision of \$4,240 associated with a loan receivable due from one of the arms-length real estate investment entities. Changes in the expected credit loss provisions in future periods will be impacted by the ultimate resolution of the CCAA and/or legal proceedings related to GEC® Project 9.

**Impairment of development assets**

In Q4 2022, the Company recognized an impairment of development assets of \$40,000 related to a refundable deposit paid. There has been no similar impairment of development assets in the Company’s history and the Company does not expect this will recur in future periods. The recoverability of the amount is expected to be impacted by the ultimate resolution of the CCAA and/or legal proceedings related to GEC® Project 9.

**Income Taxes**

During Fiscal 2022, income tax recovery was \$1,194 comprised of current tax expense of \$104 and offset by deferred tax recovery of \$1,298. During Fiscal 2021, income tax expense was \$531 comprised of current tax expense of \$414 and deferred tax expense of \$117. During Fiscal 2022, the current tax expense was mainly the result of taxable income in both SSCC and SSLC. The deferred tax recovery was the result of deferred income taxes on fair value movements on investment properties and the impact associated with the provision for expected credit losses on development and other assets and the impairment of development assets. During Fiscal 2021, the current tax expense was mainly the result of taxable income of SSCC offset by the impact of current and prior tax recoveries by the Company’s subsidiaries. The deferred tax recovery was the result of deferred income taxes on fair value movements on investment properties and changes in convertible debt.

**QUARTERLY FINANCIAL REVIEW**

The Company’s selected financial information for the last eight completed fiscal quarters is as follows. Accounting policies under IFRS were consistently applied across all periods.

	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Total revenues	20,564	18,879	16,718	17,074
Net income (loss)	(55,898)	56	(782)	854
Adjusted EBITDA <sup>(1)</sup>	3,688	4,857	3,967	6,140
Net income (loss) - CIBT shareholders	(15,573)	284	(288)	241
Income (loss) per share - CIBT shareholders – basic	(0.23)	0.00	(0.00)	0.00
Income (loss) per share - CIBT shareholders – diluted	(0.23)	0.00	(0.00)	0.00

	Q4 2021	Q3 2021	Q2 2021 <sup>(2)</sup>	Q1 2021
Total revenues	16,069	16,457	13,941	14,402
Net income (loss)	(1,112)	(1,320)	6,510	1,099
Adjusted EBITDA <sup>(1)</sup>	2,028	3,500	2,939	4,308
Net income (loss) – CIBT shareholders	(2,052)	(895)	6,599	1,051
Income (loss) per share - CIBT shareholders – basic	(0.03)	(0.01)	0.09	0.01
Income (loss) per share - CIBT shareholders – diluted	(0.03)	(0.01)	0.02	0.01

<sup>(1)</sup> Non-IFRS financial measure. See section “Non-IFRS Financial Measures” for reconciliation.

<sup>(2)</sup> Income (loss) per share reflects the dilutive effect on net income of conversion of convertible promissory notes.

Total revenues consist of: (a) educational revenues; (b) rental revenues; (c) development fees; and (d) revenues from other lines of business. Net income (loss) fluctuates based on changes in margins across all operating segments, the timing of recognition of fair value gains (losses) on investment properties (which depend on operating performance, the real estate market, and the original purchase cost), and the timing of recognition of development fees. Development fees have higher

gross margins than other types of revenue. Net income (loss) attributable to the Company's shareholders varies depending on the net income (loss) in the quarter and the portion attributable to the Company's non-controlling interests. COVID-19 started to impact the Company's results in Q3 2020 and some of the Company's revenue streams continue to be impacted; however, throughout Fiscal 2021 and Fiscal 2022, the Company experienced recovery and growth in the majority of its business.

The following additional factors have caused variation in results over the quarterly periods presented. In Q4 2022, the Company recognized provisions for expected credit losses and an impairment loss totalling \$66,940 associated with development and other assets of one GEC® real estate partnership as described above in the section above, "Fourth Quarter and Full Year Highlights - Real estate portfolio and transactions – GEC® Richmond." The Company's education business includes minor seasonality as revenue fluctuates with school terms. The Company historically has a spike in its deferred revenues in September which is the typical starting date of courses geared towards domestic students. Given the low rental vacancy rate in Vancouver, the Company's rental revenues are generally consistent throughout the year except for the hotel property which typically has its highest revenues from March to September.

SSCC's domestic registration, which represents the largest proportion of total education revenues, has continued to be strong but decreased in Fiscal 2022 compared to Fiscal 2021. Domestic registration and revenues include instruction provided to students sponsored by the provincial government. In response to COVID-19, the number of government funded contracts has increased and contracts continue to be available. However, due to the significant labour shortage and many available job opportunities, some students chose to defer their study and enter the work force leading to lower domestic registration.

The language school sector, including SSLC/VIC, experienced lower enrollment in Fiscal 2021 compared to the previous year due to travel restrictions and border closures which significantly restricted enrolments. During Fiscal 2022, both quarter and year to date SSLC/VIC revenues were significantly higher than Fiscal 2021 revenues and approached pre-COVID levels due to the surge of returning international students who suspended their travel during calendar 2020 and 2021.

The Company recognized other income from wage subsidies starting in Q3 2020 and rental subsidies starting in Q2 2021 under COVID-19 programs with the Canadian Government. These government grants are not subject to repayment and management believes they have properly met the application requirements. These government programs ceased in Q3 2022.

Rental revenues generally increase as more GEC® rental units become available and are rented, which occurs when new properties are acquired or when the construction of a real estate project is completed and an occupancy permit issued, subject to a ramp-up period. In October 2020, during Q1 2021, new rental units became available. In the second half of Fiscal 2020 and for Fiscal 2021, rental revenue from the Company's only hotel property was impacted by lower occupancy as a result of travel restrictions. Revenue increased each quarter in Fiscal 2021 as occupancy started to increase and certain rent incentives the Company offered were discontinued resulting in higher overall rates. In the second half of Fiscal 2022, occupancy at the hotel property was over 10% higher than in comparable period in Fiscal 2021 and the average daily room rates boosted the revenues to the highest in its history. The occupancy and revenues at GEC® long-stay properties started to increase in Q2 2021 and have continued to grow in Fiscal 2022, with all properties exceeding pre-COVID occupancy levels by the end of Fiscal 2022.

Development fees recognition is dependant on the status of real estate projects. Real estate projects involve development and construction timelines spanning several years and require substantial investment which is generally staged over several quarters as is the receipt by the Company of these development fees. Global economic and geo-political conditions compounded by post-pandemic concerns may affect investment sentiments in the short-term causing slow-down of large-scale new developments while small to mid-size developments are expected to remain popular. Furthermore, backlogs at the various departments of the cities in which the Company has real estate projects are expected to impact the timing of real estate project status and thus the development fee recognition.

#### **Fourth Quarter 2022 Highlights**

The following discusses the results for Q4 2022 compared to Q4 2021.

- Educational revenues increased to \$13,837 in Q4 2022 compared to \$12,187 in Q4 2021, an increase of 14%. SSLC/VIC revenues increased by 187% due to strong enrolment as international students continue to return. SSCC revenues decreased by 7% mainly due to decreased domestic registration. Margins in Q4 2022 increased by 7% over Q4 2021 mainly as a result of higher SSLC/VIC margins partially offset by lower SSCC margins.
- Rental revenues increased by 97%, to \$6,290 in Q4 2022 from \$3,200 in Q4 2021, resulting from increased occupancy at higher rental rates. Margins increased from 57% in Q4 2021 to 67% in Q4 2022.
- Net gains on changes in fair value of investment properties of \$10,143 were recognized in Q4 2022 compared to net gains of \$23 in Q4 2021.

(in thousands of Canadian dollars except per share and share amounts)

- Other income, net decreased by 95% to \$61 in Q4 2022 compared to \$1,225 in Q4 2021. During Q4 2022, there were no government subsidies recognized as other income compared to \$726 in Q4 2021. Goodwill and intangibles impairment losses were \$nil in Q4 2022 compared to \$410 in Q4 2021.
- In Q4 2022, as described in the section “Selected Annual Information and Review of Annual Financial Statements”, the Company recognized a provision for expected credit losses on development and other assets of \$26,940 and impairment of development assets of \$40,000. The value of these assets will be measured each quarter and changes, including reversals which would result in income, will be recognized in the period of measurement. These are all non-cash charges at August 31, 2022.
- Net loss was \$55,898 for Q4 2022 compared to a net loss of \$1,112 for Q4 2021.
- Decrease in cash and cash equivalents of \$1,700 in Q4 2022 compared to decrease of \$1,799 in Q4 2021.

For Q4 2022 the only significant changes from the Q3 2022 balance sheet include: the impairment of development and other assets which decreases the carrying value of these assets, increase in fair value of investment properties, decrease of trade receivables, decrease in deferred revenue, and increase in borrowings.

## FINANCIAL CONDITION

The following table compares selected financial position information as at August 31, 2022, and August 31, 2021:

	August 31, 2022	August 31, 2021	Dollar change	% Change
Total current assets	\$ 33,793	\$ 69,942	\$ (36,149)	(52)
Investment properties	\$ 356,335	\$ 322,606	\$ 33,729	10
Development assets	\$ 1,378	\$ 41,390	\$ (40,012)	(97)
Other non-current assets	\$ 86,227	\$ 85,101	\$ 1,126	1
<b>Total assets</b>	<b>\$ 477,733</b>	<b>\$ 519,039</b>	<b>\$ (41,306)</b>	<b>(8)</b>
Total current liabilities	\$ 226,233	\$ 204,831	\$ 21,402	10
Total non-current liabilities	\$ 89,468	\$ 110,625	\$ (21,157)	(19)
<b>Total liabilities</b>	<b>\$ 315,701</b>	<b>\$ 315,456</b>	<b>\$ 245</b>	<b>0</b>
Equity – CIBT shareholders	\$ 27,874	\$ 50,797	\$ (22,923)	(45)
Non-controlling interests	\$ 134,158	\$ 152,786	\$ (18,628)	(12)
<b>Total equity</b>	<b>\$ 162,032</b>	<b>\$ 203,583</b>	<b>\$ (41,551)</b>	<b>(20)</b>
Working capital (deficit) – see below	\$ (192,440)	\$ (134,889)	\$ (57,551)	(43)
Net debt <sup>(1)</sup>	\$ 240,837	\$ 225,912	\$ 14,925	7

<sup>(1)</sup> Total borrowings less cash and cash equivalents – Note 24 to Annual Financial Statements.

Total assets decreased mainly as the result of: (a) decrease in cash and cash equivalents; (b) decrease in trade receivables and loans receivable, net of credit allowances; and (c) impairment of development assets, offset by an increase in the fair value of investment properties. Without the impact of the provision for expected credit losses on development and other assets and the impairment of development assets, total assets increased by \$25,634. Total liabilities were consistent with the prior year. The main changes were increases due to: (a) an increase in borrowings under secured loans; offset by: (b) conversion of the GEC Marine Gateway Limited Partnership convertible promissory notes into units of that limited partnership resulting in \$14,427 reduction of current liabilities; (c) repayment of credit facility and certain debentures; and (d) reduction of deferred revenue. Non-controlling interests increased as a result of additional investment into the Company’s real estate limited partnerships including the conversion into units noted above; however, as non-controlling interests own approximately 72% of GEC® Project 9, the allocation of the proportion of the \$66,940 provision/impairment has resulted in a decrease in the equity attributable to non-controlling interests during Fiscal 2022.

**LIQUIDITY AND CAPITAL RESOURCES**

The principal liquidity needs of the Company are for working capital requirements, debt servicing and repayment obligations, and costs associated with expanding the real estate business. The Company is exposed to liquidity risk which is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due in the normal course of business. The Company manages its liquidity risk by monitoring its operating requirements, securing new loans and refinancing on reasonable terms, and reducing costs where possible. The Company has an undrawn facility of \$3,930 at the date of this report in addition to cash and cash equivalents of \$9,724 at August 31, 2022. The Company also has restricted cash of \$2,106 at August 31, 2022 mainly related to amounts held for certain real estate limited partnerships.

The Company continues to have a working capital deficit which has been the case for the last several years. It is common in the real estate holding and development sectors to have negative working capital and in the Company's case, negative working capital results primarily from the difference between the classification of investment properties and the Company's hotel, as non-current assets, and a portion of the borrowings associated with those assets being classified as current liabilities as they are due within 12 months. The total amount of borrowings which are due within 12 months fluctuate based on the timing of funding, repayment dates or mortgage renewals and types of loans held by the Company. Given the nature of the real estate business, management determines the length of the borrowing term to optimize flexibility should opportunities arise to dispose of properties on economically favourable terms.

CIBT's negative working capital at August 31, 2022 and the change from August 31, 2021 is predominately driven by the following factors including a decrease in cash of \$8,614.

- Impairment of certain assets classified as current of \$26,940 at August 31, 2022
- The current portion of borrowings of \$182,802 at August 31, 2022, an increase of \$25,908 from August 31, 2021
- Current lease liability which does not match the non-current classification of the associated right-of-use assets of \$4,186 at August 31, 2022, an increase of \$292 from August 31, 2021

The Company has continued to meet its obligations as they become due, and management believes this will continue to be the case. The Company has a history of successfully raising capital financing and anticipates it will continue to secure new equity or debt financings under reasonable terms and/or to refinance existing borrowings with debts of similar natures as needed; however, there is no assurance that such financing will be available on favourable terms or at all. The Company expects it will have sufficient capital resources to carry out expansion plans and support operations through Fiscal 2023 based on existing cash, cash expected to be generated from operations, and successful capital raising which it considers probable based on the history of refinancing of similar debts.

The Company uses cash resources at its discretion to purchase treasury shares when the Company has sufficient cash resources and determines that the repurchase of shares will increase shareholder value. The Company used \$1,298 in cash for such repurchases in Fiscal 2022 (Fiscal 2021 - \$2,401).

**(a) Contractual obligations**

In the normal course of business, the Company enters contracts that give rise to contractual obligations for future minimum payments. The following table summarizes the Company's remaining contractual undiscounted cash flows associated with the Company's financial liabilities and operating and capital commitments at August 31, 2022:

	<b>Less than one year</b>	<b>2 to 3 years</b>	<b>4 to 5 years</b>	<b>Later than 5 years</b>	<b>Total</b>
<i>Financial Liabilities</i>					
Trade and other payables <sup>(1)</sup>	\$ 18,233	\$ -	\$ -	\$ -	\$ 18,233
Secured loans <sup>(2)</sup>	206,136	14,776	2,426	31,940	255,278
Convertible debentures <sup>(2)</sup>	6,110	-	-	-	6,110
Lease payments <sup>(3)</sup>	7,706	8,408	6,097	10,031	32,242
Other borrowings	2,410	5,928	199	444	8,981
<b>Total Financial Liabilities</b>	<b>240,595</b>	<b>29,112</b>	<b>8,722</b>	<b>42,415</b>	<b>320,844</b>
<i>Other Amounts</i>					
Income taxes payable	273	-	-	-	273
Other <sup>(4)</sup>	3,510	-	-	-	3,510
<b>Total Other Commitments</b>	<b>3,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,783</b>
<b>Total Financial Liabilities and Commitments</b>	<b>\$ 244,378</b>	<b>\$ 29,112</b>	<b>\$ 8,722</b>	<b>\$ 42,415</b>	<b>\$ 324,627</b>

<sup>(1)</sup> Includes accrued but unpaid interest on borrowings.

**LIQUIDITY AND CAPITAL RESOURCES (continued)**

- (2) See (b) “Borrowings” below for nature of balances and changes after August 31, 2022. The impact of most of these changes in borrowings will be to move repayment from less than one year to later categories. Interest reserves of \$2,825 previously paid will cover certain future interest payments.
- (3) Contractual lease payments for office space, campus premises, and equipment including variable lease payments.
- (4) See (c) “Real Estate Projects” below.

**(b) Borrowings**

The Company controls and is an investor in certain limited partnerships associated with its student housing business. These limited partnerships obtain financing to purchase real estate projects in conjunction with funding from investor contributions. Details of borrowings are included in Note 14 and Note 28 to the Annual Financial Statements. During Fiscal 2022, borrowings had a weighted-average interest rate of 6.78% compared to 6.62% for Fiscal 2021. The Canadian prime rate increased from 2.45% at the beginning of Fiscal 2022 to 3.2% on April 13, 2022, 4.7% on July 13, 2022, 5.45% on September 6, 2022, and 5.95% at October 26, 2022. Interest costs increased during Q4 2022 and the Company expects costs will increase considering the confirmed and potential for further prime rate increases in Fiscal 2023.

Secured borrowings are secured by first and second mortgages on the underlying property and are guaranteed by the Company and/or its subsidiaries. During Fiscal 2022, the Company made all interest and principal payments on its borrowings and interest payments to its debenture holders. Subsequent to August 31, 2022, the Company, modified certain existing loans to extend the maturities to meet the specific business purpose and refinanced certain secured loans with new lenders. Outstanding principal balances did not change materially as a result of these transactions. The new secured loans have maturity dates ranging from two to three years and will result in interest costs of approximately \$8,800 over the terms of the loans, subject to some variability on one of the loans. Principal repayments on secured loans of \$42,736 included in the table above will move to the 2-3 years category. For the two loans where the maturity date was extended subsequent to August 31, 2022, the repayment dates remain within one year.

In addition, in November 2022, the Company amended the terms of the Hong Kong dollar (“**HKD**”) denominated convertible debenture which will now mature in May 2024 instead of November 2022. Repayment of the debenture, if not converted, of \$5,257 included in the table above will move to the 2-3 years category.

**(c) Real Estate Projects**

The Company and certain of its subsidiaries and investment limited partnerships have entered into agreements in connection with the development of investment properties as described in Note 5 to the Annual Financial Statements. The following table details estimated future payments under contractual agreements made by the Company or the limited partnerships which the Company controls as at August 31, 2022 which are not recognized as liabilities.

<b>Entity</b>	<b>Less than one year</b>	<b>2 to 3 years</b>	<b>5 years or later</b>	<b>Total</b>
GEC® King Edward II <sup>(1)</sup>	\$ 3,510	\$ -	\$ -	\$ 3,510
GEC Education Mega Center® <sup>(2)</sup>	4,143	-	7,487	11,630
<b>Total</b>	<b>\$ 7,653</b>	<b>\$ -</b>	<b>\$ 7,487</b>	<b>\$ 15,140</b>

<sup>(1)</sup> Contract balance of costs committed at August 31, 2022 to complete related to project construction expected to be completed in early Fiscal 2023. Costs are funded via draws on the construction loan in place for this limited partnership.

<sup>(2)</sup> Investment property development and construction, net of deposits, which represents contingent liabilities which may be paid if certain milestones are met.

See “Fourth Quarter and Full Year Highlights - Real estate portfolio and transactions – GEC® Richmond.” At August 31, 2021, the Company had a \$69,415 commitment in addition to \$40,000 of deposits already paid to purchase two buildings upon completion of construction. GEC LP9 has the right to terminate the contract as the Developer has entered into CCAA proceedings.

These capital commitments do not include costs for contracts not yet in place, including construction, renovation, furnishings, closing costs or taxes which are not committed expenditures. The total commitment is subject to change from the prior year depending on new agreements or amendments to agreements executed during the current year. These commitments will be funded by: (a) subscriptions to limited partnership units in the specific real estate limited partnerships; and (b) debt financing, and therefore do not represent a net cash outflow for the Company from current resources.

**Analysis of cash flows**

The following table summarizes cash inflows and outflows for the periods shown. The Company's operations have been financed primarily through internal cash flow, third-party secured loans and other financing and contributions from non-controlling interests in limited partnerships controlled by the Company.

	Fiscal 2022	Fiscal 2021	Change	% Change
Cash flows provided by operating activities	\$ 6,748	\$ 17,106	\$ (10,358)	(61)
Cash flows (used in) investing activities	(27,738)	(68,716)	40,978	60
Cash flows provided by financing activities	12,397	46,945	(34,548)	(74)
Effects of exchange rate changes on cash and cash equivalents	(21)	(27)	6	22
Decrease in cash and cash equivalents	\$ (8,614)	\$ (4,692)	\$ (3,922)	(84)
Cash and cash equivalents, beginning of year	18,338	23,030	(4,692)	(20)
Cash and cash equivalents, end of year	\$ 9,724	\$ 18,338	\$ (8,614)	(47)

Cash flows from operating activities can vary significantly from period to period as a result of the Company's working capital requirements associated with its real estate projects and timing of receipt of development fee revenues.

Cash flows used in investing activities vary depending on the nature of transactions during a period. During Fiscal 2022, most of the cash used in investing activities was used for development costs associated with the GEC<sup>®</sup> King Edward and GEC Education Mega Center<sup>®</sup> projects, for cash paid for borrowing costs which were capitalized to certain investment properties and for the payment of agency fees to educational partners. During Fiscal 2021, most of the cash used in investing activities was associated with cash used for the purchase of the GEC<sup>®</sup> Marine Gateway property, development costs on properties under development, and for costs associated with leasehold improvements.

Cash provided by financing activities vary depending on the borrowing transactions, non-controlling interest contributions and distributions, and the Company's treasury share buyback activity. Note 27(b) to the Annual Financial Statements provides additional detail of the change in borrowings including cash and non-cash related items for Fiscal 2022 and Fiscal 2021. During Fiscal 2022, less third-party funding and net capital contributions into the Company's limited partnerships were received compared to Fiscal 2021. The Company repurchased \$1,103 less of treasury shares in Fiscal 2022 compared to Fiscal 2021.

**Outstanding share data**

The authorized capital consists of 150,000,000 common shares without par value. As at November 24, 2022, the following common shares, stock options, and convertible debenture conversion options were outstanding:

	Number of shares	Exercise price	Remaining life (Years)
Common shares	68,460,740	-	-
Stock options	3,620,000	\$0.44 - \$0.75	0.16 – 4.5
Convertible debentures <sup>(1)</sup>	7,247,269	\$0.81 - \$0.82	1.36
Fully diluted	79,328,009		

<sup>(1)</sup> Convertible debentures originally issued in May 2019 and February 2020. Conversion prices denominated in HKD have been converted into Canadian dollars. In November 2022, the maturity date of the HKD debenture convertible into 6,557,445 common shares was extended to May 2024.

**Treasury shares**

In March 2022, the Company received approval from the TSX to commence a new NCIB (the "2022 NCIB") to purchase up to 3,423,000 of the Company's previously issued common shares, subject to daily limits, from March 21, 2022 to March 20, 2023, to a maximum aggregate acquisition cost of \$3,000. In March 2021, the Company received approval from the TSX to commence a normal course issuer bid (the "2021 NCIB") to purchase up to 3,556,000 of the Company's previously issued common shares, subject to daily limits, from March 17, 2021 to March 16, 2022, to a maximum aggregate acquisition cost of \$3,556.

During Fiscal 2022, the Company repurchased 2,044,300 previously issued common shares at a cost of \$1,298 including 1,310,500 under the 2021 NCIB at a cost of \$855, and cancelled 1,517,500 common shares, leaving 733,800 common shares held in treasury at August 31, 2022. From September 1, 2022, to the latest practicable date, the Company repurchased 170,000 common shares under the 2022 NCIB leaving 903,800 common shares held in treasury under the 2022 NCIB. At the date of this report, the Company was eligible to purchase up to 2,519,200 additional previously issued common shares under the 2022 NCIB.

## Financial Instruments and Financial Risk Management

A description of the Company's financial instruments and financial risks that the Company is exposed to and management of these risks can be found in Notes 22 and 23, respectively, to the Annual Financial Statements. In addition, information on the valuation and sensitivity analysis associated with investment properties is described in Note 5(b) to the Annual Financial Statements.

## TRANSACTIONS BETWEEN RELATED PARTIES

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel and directors. Amounts paid to related parties were incurred in the normal course of operations and measured at the amount exchanged. At August 31, 2022, key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole, which includes Toby Chu, its president and chief executive officer, and Hilbert Ng, its chief financial officer. In addition, fees paid to the Company's directors are also presented below.

	Year Ended August 31, 2022	Year Ended August 31, 2021
Management fees, salaries and director's fees <sup>(1)</sup>	\$ 1,321	\$ 1,626
Share-based compensation	119	95
<b>Total remuneration</b>	<b>\$ 1,440</b>	<b>\$ 1,721</b>

<sup>(1)</sup> Total remuneration includes nominal post-employment benefits.

At August 31, 2022, amounts owing to directors and officers of the Company were \$195 (August 31, 2021 - \$692). At August 31, 2022, amounts owing to the president of IRIX for previous advances amounted to \$114 (August 31, 2021 - \$109) which have no fixed terms of repayment and bear interest at 6% per annum.

## NON-IFRS FINANCIAL MEASURES

Certain non-IFRS financial measures have been included in this MD&A. The Company believes that these measures, in addition to measures prepared in accordance with IFRS, provide readers with an improved ability to evaluate its underlying performance. The non-IFRS financial measures do not have standardized meanings prescribed by IFRS and are therefore unlikely to be directly comparable to similar measurements presented by other issuers. These performance measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-IFRS measures should be read in conjunction with the Annual Financial Statements.

## EBITDA and Adjusted EBITDA

Management uses EBITDA metrics to measure the profit trends of the business units and segments in the consolidated group since it eliminates the effects of financing decisions. Management also presents Adjusted EBITDA which is EBITDA adjusted to exclude: the net gain or loss recognized on fair value changes on investment properties under the fair value model, the provision for expected credit losses on development and other assets, the impairment of development assets, and the net gain or loss recognized on fair value changes in embedded derivatives associated with certain financial liabilities. Commencing in Q4 2022, the Adjusted EBITDA measure was changed to include in the reconciliation certain amounts which did not previously exist – namely the provision for expected credit losses on development and other assets and the impairment of development assets. For investment properties recognized gains are not realized until the investment property is sold; these amounts reflect current period changes in the value of the Company's real estate portfolio.

**NON-IFRS FINANCIAL MEASURES (continued)**

The following table reconciles these non-IFRS measures to the most directly comparable IFRS measure disclosed in the Annual Financial Statements, which is net income (loss).

<i>Presented in thousands of Canadian dollars</i>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>	<b>Q4 2022</b>	<b>Q4 2021</b>
Net income (loss)	(55,770)	5,177	(55,898)	(1,112)
Deduct: interest income <sup>(1)</sup>	(775)	(3,463)	(127)	(724)
Add: interest expense	11,726	12,365	2,254	3,260
Add: income tax (recovery) provision	(1,194)	531	(1,289)	(285)
Add: depreciation and amortization <sup>(2)</sup>	6,865	6,799	1,970	1,799
<b>EBITDA [non-IFRS]</b>	<b>(39,148)</b>	<b>21,409</b>	<b>(53,090)</b>	<b>2,938</b>
Deduct net gain on fair value changes in investment properties	(8,650)	(8,802)	(10,143)	(23)
Add provision for expected credit losses on development and other assets	26,940	-	26,940	-
Add impairment of development assets	40,000	-	40,000	-
Add loss/deduct (gain) on embedded derivatives, net <sup>(3)</sup>	(490)	168	(19)	(887)
<b>Adjusted EBITDA [non-IFRS]</b>	<b>18,652</b>	<b>12,775</b>	<b>3,688</b>	<b>2,028</b>

<sup>(1)</sup> Interest income not associated with operations which is a component of interest and other income, net including in Note 20 to the Annual Financial Statements.

<sup>(2)</sup> Includes amortization of agency fees which is a component of educational direct costs and included in Note 9 to the Annual Financial Statements.

<sup>(3)</sup> Included in finance costs within Note 19 to the Annual Financial Statements.

**Gross profit and gross margin**

Gross profit for the Company is the difference between revenue and direct cost of sales. Gross profit is a non-IFRS financial measure as the term and subtotal for gross profit does not appear on the face of the consolidated statements of comprehensive income (loss).

Gross margin is a non-IFRS ratio and is calculated as gross profit divided by revenue, expressed as a percentage. Gross margin in total and for each operating segment is presented in this MD&A. Management uses Gross Profit and Gross Margin to assess how efficiently the Company generates profit from the sale of goods or services. The presentation of gross margin for each operating segment provides additional information as to the profitability of each business unit considering the Company's diversified nature of revenues. Note 30 to the Annual Financial Statements provides gross profit and revenue amounts for each business unit.

**ACCOUNTING MATTERS****BASIS OF PRESENTATION AND ACCOUNTING POLICIES**

The Annual Financial Statements have been prepared in accordance with IFRS as issued by the IASB. IFRS comprises IFRSs, International Accounting Standards ("IASs"), and interpretations issued by the IFRS Interpretations Committee ("IFRICs") and the former Standing Interpretations Committee ("SICs"). Note 29 of the Annual Financial Statements, provides details of the significant accounting policies.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the amounts reported and disclosed in the consolidated financial statements and related notes. Key accounting estimates represent estimates that are uncertain, and for which changes in those estimates could materially impact the consolidated financial statements. Critical judgements in applying accounting policies and key sources of estimation uncertainty that may have the most significant effect on the Company are disclosed in Note 3 to the Annual Financial Statements.

## **ACCOUNTING STANDARDS DEVELOPMENT**

There were no accounting standards which were adopted by the Company in the current fiscal year. There are no new standards applicable to the Company for the next fiscal year starting September 1, 2022. Note 4(b) to the Annual Financial Statements includes information on those standards and interpretations issued that the Company reasonably expects to be applicable to the Company at a future date. The Company intends to adopt these standards when they become effective. The Company has not early adopted any other amendment, standard or interpretation that has been issued by the IASB but is not yet effective.

## **OFF-BALANCE SHEET ARRANGEMENTS**

Various forms of security, in addition to a mortgage over lands, have been granted by the relevant limited partnership and by the Company and certain of its subsidiaries in favour of arm's length lenders in connection with the student housing projects. The security granted gives the lenders a comprehensive level of protection against a default by the borrower in the performance of its obligations including the repayment of the indebtedness and interest thereon.

## **DISCLOSURE CONTROLS AND PROCEDURES & INTERNAL CONTROLS OVER FINANCIAL REPORTING**

### **(a) Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are those controls and procedures that are designed to ensure that the information required to be disclosed in the filings under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Administrators* is recorded, processed, summarized and reported within the time periods specified. The Company carried out, under the supervision and with the participation of the Company's management, including the Company's chief executive officer ("CEO") and chief financial officer ("CFO"), an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their evaluation, the Company's CEO and CFO concluded that, as of August 31, 2022, and the date of this Management's Discussion & Analysis, the disclosure controls and procedures were effective.

### **(b) Report of Management on Internal Control over Financial Reporting**

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. With the participation of the Company's CEO and CFO, management conducted an evaluation of the effectiveness of our internal control over financial reporting as of August 31, 2022, based on the framework and criteria established in Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

A material weakness is a significant deficiency, or combination of significant deficiencies, which result in more than a remote likelihood that a material misstatement of the annual or interim financial statements will occur and not be detected by management before the financial statements are published. Controls can potentially be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the control. The design of any system of controls also is based on part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

In its assessment of the effectiveness in internal control over financial reporting as of August 31, 2022, the Company determined that there were no material deficiencies in the Company's internal controls over financial reporting for Fiscal 2022.

### **Changes in Internal Control over Financial Reporting**

There have been no changes during Fiscal 2022 to internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

## RISKS RELATED TO THE COMPANY'S BUSINESS

The Company's business, financial condition, operating results, and prospects are subject to several risks and uncertainties which include but are not limited to those below as well as those specified elsewhere in this MD&A. A more detailed description of certain of the risks and uncertainties can be found under the heading "Risk Factors" in the Company's annual information form for Fiscal 2022 filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). See also above under "Forward-Looking Information."

- the performance of the real estate business depends on fluctuation of real estate prices
- risks related to real estate project developments generally include construction delays (due to factors including permit issuance, construction costs and construction labour market shortages) and rezoning process risk (due to delays in rezoning which may result from design changes and may result in substantial cost increases)
- the Company's dependence upon third parties in respect of the construction of its real estate projects and the financial stability of the parties involved
- lending sentiment by construction lenders may impact the cost of mortgage financing
- although the general partners of the Company's real estate limited partnerships are subsidiaries of the Company, they are required to act in good faith towards all of the limited partners which may result in decisions that are not beneficial to CIBT
- the Company's ability to repay or refinance debt obligations and to fund committed capital expenditures will depend on certain financial, business and other factors and significant interest rate increases will affect financial performance
- the inability of any of the Company's limited partnerships to repay loans guaranteed by the Company or its subsidiaries could have a significant effect on the Company's financial performance
- increased competition in the sectors in which the Company has investments
- need for additional capital to complete acquisitions and expand operations and ability to manage planned growth and integrate new business opportunities into existing operations
- dependence on key personnel, the Company's facility providers and educational service providers
- ability to compete effectively with competitors that have greater financial, marketing, and other resources
- availability of government funded programs and increasing interest rates may impact student enrollment
- increases in the frequency and severity of extreme weather events, such as wildfires and snowstorms, could impact travel demand in British Columbia and lead to supply chain interruptions
- shift in consumer preferences towards sustainable products may affect the occupancy of our hotel accommodation
- risks involving the Chinese legal system, tax system, and foreign currency limitation
- the possibility that personal information that the Company collects may be vulnerable to breach, theft, or loss, which could subject the Company to liability or adversely affect its reputation and operations
- the Company stores significant amounts of information from various business activities on cloud servers which may be susceptible to cyber threats. There is also a heavy dependency on online digital platforms like websites and certain software critical to business operations. A cyber breach would bring significant impact and downtime to the Company's ability to offer its products and services.
- risks related to government regulations and obtaining required approvals
- government policy relating to rent control may affect rental income
- government policy relating to foreign investment may affect investor sentiment
- compliance with rules and requirements applicable to public companies may cause the Company to incur increased costs
- COVID-19 may again disrupt providing certain education offerings to international students which may impact revenues
- COVID-19 may result in adverse economic conditions, including disruptions in the financial markets, which could adversely affect the Company's business and its ability to secure financing
- although there are currently no disruptions to the Company's operations resulting from Russia's invasion of Ukraine and the ensuing military conflict, the conflict has resulted in volatility in financial markets making the availability and cost of funds increasingly difficult to project