



**GLOBAL EDUCATION COMMUNITIES CORP.
(FORMERLY CIBT EDUCATION GROUP INC.)**

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

FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

GLOBAL EDUCATION COMMUNITIES CORP.
(the “Company” or “GECC”)
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2023

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, 2023 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 Accounting Standards. Additional information about the Company and its subsidiaries, including its annual information form, is available under the Company’s profile on SEDAR+ (www.sedarplus.ca).

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 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.
2. 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.
3. The Company’s plans for the proposed GEC[®] 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, 2023 which is available under the Company’s profile on SEDAR+ (www.sedarplus.ca).

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 28, 2023. In this MD&A, the following terms have the meanings shown:

“**Annual Financial Statements**” means the Company’s consolidated financial statements for Fiscal 2023.

“**Annual MD&A**” means the Company’s MD&A for the year ended August 31, 2023.

“**Fiscal 2024**” means the fiscal year ending August 31, 2024.

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

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

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

“**Q1 2023**” means the three months ended November 30, 2022.

“**Q2 2023**” means the three months ended February 29, 2023.

“**Q3 2023**” means the three months ended May 31, 2023.

“**Q4 2023**” means the three months ended August 31, 2023.

“**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.

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 revenues, 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 in the “Non-IFRS Financial Measures” section of this MD&A.

Date of Report – November 28, 2023

GLOBAL EDUCATION COMMUNITIES CORP.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR YEAR ENDED AUGUST 31, 2023

NATURE OF BUSINESS

GECC is one of the largest education and student housing investment companies in Canada, focused on the domestic and global education market since 1994. On April 17, 2023, the Company changed its name from CIBT Education Group Inc. to Global Education Communities Corp. The Company's common shares trade on the Toronto Stock Exchange under the trading symbol ‘GEC’ and on the OTCQX International under the symbol ‘GECSF’.

The Company owns business and language colleges, student-centric rental apartments, recruitment centres and has corporate offices at 41 locations in Canada and abroad. It 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 accommodation services to 92 schools in Metro Vancouver, serving domestic and international students from 71 countries. In Fiscal 2023, the Company provided educational and housing services to over 13,000 students through its 41 locations. The Company controls and is an investor in limited partnerships that own a network of serviced apartments and a hotel. Certain subsidiaries of the Company act as general partners and/or managers of 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

Real estate portfolio and transactions

During Fiscal 2023, 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. Despite a promising rental environment, inflation and prime rate increases continue to create economic uncertainty. The Company is also impacted by rezoning and permitting delays at various city departments which in turn impacts the timing on properties under development and the earning of development fees.

Except for GEC® 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® Kingsway

In September 2023, the Company announced the signing of a Memorandum of Understanding (the "MOU") to deploy its new business segment Master Lease Partnership Program. The MOU details the business terms to master lease approximately 80,000 gross buildable square feet of market rental apartments from a local developer, including GEC® Kingsway. The launch date for GEC® Kingsway is expected to be in May 2024.

GEC® Granville

In October 2023, the Company signed a Purchase and Sale Agreement for the sale of the GEC® Granville property for gross proceeds of \$70,000. The transaction completed on November 28, 2023 and all secured loans associated with the property were assigned to the purchaser. At August 31, 2023, the net book value of the GEC® Granville property is \$55,668 and the outstanding loan principal is \$54,100.

GEC® King Edward

Construction for the GEC® King Edward project completed in June 2023 and it entered into its first operational period in Q4 2023, with occupancy exceeding 90% by August 31, 2023.

GEC® Oakridge

GEC® Oakridge received its development permit on July 6, 2023. The Company applied for a Development Contribution Levy waiver and received approval from the city in October 2023. The building permit process is currently in progress. 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® Langara

In November 2022, the Company formed a new limited partnership associated with a new project called GEC® Langara with plans to purchase an investment property. In November 2023, the limited partnership entered into an Assignment of Purchase Agreement with a third party to purchase a property near the Langara – 49th Canada Line station for \$17,500. The Company expects the transaction to complete in December 2023.

GEC® Viva

In September 2023, the Company signed a five-year lease extension agreement for GEC® Viva. The new lease agreement expires December 2028, and the Company has the option to extend the lease for a further five years.

GEC® Richmond ("Project 9")

Pursuant to a Purchase and Development Agreement ("LP9 PDA") with a Vancouver developer for the construction of a number of buildings, a controlled subsidiary of the Company, Limited Partnership 9 ("GEC LP9") had paid a total of \$60,000 in deposits associated with the right to purchase a portion of the completed project. The LP9 PDA was subsequently amended with \$20,000 of the deposits already paid to be returned to GEC LP9 with the remainder \$40,000 deposit to be applied to the purchase price. The \$20,000 receivable is subject to interest of 15% per annum.

Numerous project milestones were missed and 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' Creditor Arrangement Act (the "CCA") to restructure its business. Under the CCA proceedings, the Developer under the supervision of the Supreme Court of British Columbia (the "Court"), was to determine whether the project would be restructured or sold.

At August 31, 2023, 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 activity there is the possibility that GEC LP9 may not be repaid any portion of the amount receivable from the Developer, despite this balance being secured by a third mortgage. As described in Note 23(b) – Credit risk – Receivable from developer, GEC LP9 has recognized an expected credit loss provision in Fiscal 2022 related to the receivable due from the developer of \$22,700 which is classified as Provision for expected credit losses on development and other assets in the consolidated statement of loss and comprehensive loss. As described in Note 6 – Development assets – Impairment of non-financial development asset, GEC LP9 has recognized an impairment loss of \$40,000 in Fiscal 2022 which is classified as impairment of development assets in the consolidated statement of loss and comprehensive loss.

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. In December 2022, GEC LP9 and its general partner responded to a counterclaim filed. If the civil claim is successful, the Company could receive some or all of the amounts for which a provision or

impairment loss have previously been recognized. Examination for discovery has been held and a trial date for the civil claim is now set for early 2024.

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, 2023 was \$385,227 (August 31, 2022 - \$356,335). During Fiscal 2023, the Company capitalized developments costs of \$6,577 and financing costs of \$13,792 associated with properties under development (Fiscal 2022 - \$13,702 and \$11,235). The majority of development costs were associated with GEC[®] Oakridge, GEC[®] King Edward and Global Education Mega Center[®]. During Fiscal 2023, the Company recognized net fair value gains on investment properties of \$7,835 (Fiscal 2022 - \$8,650). For Fiscal 2023, this amount includes the loss of \$2,004 associated with the right-of-use investment property (Fiscal 2022 – loss of \$1,949). 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 2023, limited partnerships controlled by the Company borrowed \$122,022 under financing arrangements, repaid \$103,810 in existing secured mortgages, and modified the terms of various financing arrangements to change maturity dates, interest rates, and borrowed additional funds under 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 2023, net non-cash losses of \$1,323 on non-substantial modifications of debt were recognized, of which \$915 are included in capitalized borrowing costs of Investment properties, and \$408 included in Finance costs in the consolidated statements of loss and comprehensive loss. The Company also repaid \$382 of other borrowings and recognized non-cash gains of \$640 on non-substantial modifications of convertible debt.

The Bank of Canada policy interest rate hike continued in Fiscal 2023, increasing six times from 2.5% to 5.0% during the period. While the Bank of Canada has signaled a more moderate tone to its monetary policy, inflationary pressure remains and further interest rate increase could occur in Fiscal 2024. At August 31, 2023, approximately 67% of the Company's debt portfolio has variable interest rates tied to the major bank prime rates. During Fiscal 2023, minimum stated rates in debt agreements were exceeded and interest costs on variable interest rate debt increased when compared to Fiscal 2022, where the floor interest rate applied to the majority of the Company's variable debt up until Q3 2022. The Company anticipates interest costs will stabilize while remaining high until mid 2024 and continues to monitor and manage its interest rate risk. See section "Liquidity and Capital Resources – Contractual Obligations" for further details.

INDUSTRY GROWTH PROSPECT

Canada was ranked as the 4th best country in the world for study abroad by *educations.com's Country Rankings 2023¹*, and was ranked as the 4th best country for education out of 85 countries in the world by U.S. News². 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 807,750 international students in Canada at all levels of study at the end of 2022, significantly surpassing the Government of Canada target of 450,000 by 2022³. IRCC reported that 919,000 study permit applications were finalized in 2022, which beat the 2021 record by more than 29%.⁴ IRCC data also shows that more than 280,000 new study permits were issued by the Canadian government from January to June 2023, which is a 77% increase compared to the same period in 2022. In addition, an internal policy document forecasts 1.4 million international student applications by 2027.⁵ 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 2019-2024⁶*, 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.

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

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

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

⁴ <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/mandate/stronger-immigration-system/temporary-residence.html>

⁵ <https://www.cicnews.com/2023/10/canadas-international-student-population-continues-to-soar-1039689.html#gs.72rm1d>

⁶ <https://www.international.gc.ca/education/strategy-2019-2024-strategie.aspx?lang=eng>

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 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 the most recent statistics report from the Immigration, Refugees and Citizenship Canada (IRCC)⁷, 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 sources of international students to Canada in recent years. A growing trend in 2022 was the increasing number of students from India into Canada for postgraduate study. In British Columbia, there are nearly 188,000 international students according to the British Columbia Council for International Education. India ranks as the top source country, making up more than a third of the demographic.⁸

The Company’s language school business recovered rapidly throughout Fiscal 2022 and Fiscal 2023, with its revenue increase representing the largest segmental increase for the Company. Since Canada re-opened its borders for international students in late 2021, a surge in registrations and enrollments was observed starting fall 2022 and continued through Fiscal 2023. 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® 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 2022 Rental Market Report⁹, rental demand surpassed supply due to increased homeownership costs and migration to the region, which is in part due to the post-pandemic return of students. The vacancy rate for purpose-built rental properties was 0.9% and 2.2% for condominium rental properties. When 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 market 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® 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.¹⁰ The demand for affordable housing in Canada has skyrocketed and exceeded supply. This poses a challenge to both international and domestic students in Metro Vancouver in particular, who are competing with young families and the general labour force for rental accommodations. As GECC’s efforts are targeted towards providing safe, comfortable, and affordable housing for students, it is able to tap into this demand to continue to generate rental revenues for the foreseeable future. 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 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 2023 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 69%¹¹. This high growth rate led to Vancouver being the No. 8 tech hub in North America. In terms of actual total labour market size, the Scoring Tech Talent report shows that there were 111,100 tech jobs in 2022.¹² 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

⁷ <https://studying-in-canada.org/canada-international-student-statistics/>

⁸ <https://bc.ctvnews.ca/canada-s-international-student-population-climbs-in-part-due-to-strong-interest-from-india-1.6065973>

⁹ <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres>

¹⁰ <https://www2.gov.bc.ca/assets/gov/education/post-secondary-education/data-research/stp/stp-international-research-results.pdf>

¹¹ <https://www.cbre.com/insights/books/scoring-tech-talent-2023/which-are-the-top-ranked-tech-talent-markets>

¹² <https://biv.com/article/2023/07/vancouver-north-americas-fastest-growing-tech-job-market-cbre>

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 2024

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 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 government and third party funded program offerings. This trend is continuing in the first quarter of Fiscal 2024 with a particular focus among the Healthcare, Early Childhood Education, and education faculties. SSCC celebrated its 120th anniversary in 2023 and its long history in British Columbia, its commitment to its communities, and the impact it has had addressing labour needs since its inception in 1903. SSCC also continues to focus on expanding program options particularly in healthcare and early childhood education where demand remains strong. 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 traditional domestic registrations are expected to remain in line with Fiscal 2023. 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. SSCC continues to actively develop new programs, and expand its 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 in Fiscal 2023. The number of nationalities represented by students attending SSLC/VIC increased with the largest enrolment of students coming from Asia, North America, South America, and Europe. SSLC continues to focus on language related programs while VIC focuses on diploma offerings for international students. VIC also continues to add new career-related programs to complement SSLC's market share in the competitive Vancouver marketplace.

While recent geopolitical tension between India and Canada is putting economic relationship between the two countries in question, its impact on international students remains to be seen¹³ and educational consultants have expressed that a significant decline in student admissions is unlikely.¹⁴ SSCC and SSLC/VIC have a balanced student demographic profile where students from India represent a small percentage of the overall student population, and therefore are not expected to be adversely impacted by these developments.

China's ban on international credentials obtained online remains, whereby degrees or diplomas obtained remotely will not be certified by the Chinese government nor recognized by Chinese employers. Post secondary Chinese students enrolled outside of China are required to attend the university or college in person in order for their credentials to be valid. This requirement demands Chinese international students return to Canada for their on-campus studies.¹⁵

Student Centric Rental Housing Business

GECH, which operates the rental housing business of the Company, expects to expand both its rental housing and investment portfolio in Fiscal 2024. The students at its partner institutions and its own schools provide a customer source for the Company's student housing business. Occupancy rates across all GEC[®] locations remain near-full capacity and upward pressure on rental rates continue heading into Fiscal 2024. The completion of GEC[®] King Edward adds to the existing and growing GEC[®] portfolio with an average rent per square foot that is substantially higher than market rental rates.

The Company's projects under development include Global Education City[®] (Richmond), GEC[®] Cyber City, GEC Education Mega Center[®], and GEC[®] Oakridge. Construction of the Global Education City[®] (Richmond) is currently inactive. 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, acquiring under-valued residential assets, and rolling out its Master Lease Partnership Program strategy. These projects will strategically expand the GEC[®] footprint and contribute to the Company's development fee and rental revenues through Fiscal 2024. 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 2024. 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

¹³ <https://www.bnnbloomberg.ca/international-student-flows-could-be-affected-by-india-tension-expert-1.1974034>

¹⁴ <https://indianexpress.com/article/cities/chandigarh/indo-canadian-relations-sour-students-residents-anxiety-8946829/>

¹⁵ <https://www.universityaffairs.ca/news/news-article/canadian-universities-largely-unaffected-by-chinas-sudden-ban-on-international-credentials-obtained-online/#:~:text=Canada%20is%20on%20the%20top,that%20were%20welcomed%20in%202018.>

following ways: development fee revenues, steady stream of rental revenue, ongoing management fees, and fair value gains on investment property.

SELECTED ANNUAL INFORMATION AND REVIEW OF ANNUAL FINANCIAL RESULTS

The table below presents the financial performance of each main business unit of the Company for Fiscal 2023, Fiscal 2022, and Fiscal 2021 and compares Fiscal 2023 to Fiscal 2022. Information by business segment for Fiscal 2023 and Fiscal 2022 is presented in Note 30 to the Annual Financial Statements. This information should be read in conjunction with the Annual Financial Statements.

	Fiscal 2023	Fiscal 2022	Fiscal 2021	\$ Change 2023 ⁽²⁾	% Change 2023 ⁽²⁾
Total revenues	\$ 78,603	\$ 73,235	\$ 60,869	\$ 5,368	7
Gross margin ⁽¹⁾	55%	57%	58%		
Educational revenues – SSCC	\$ 39,270	\$ 39,784	\$ 40,282	\$ (514)	(1)
Gross margin – SSCC	58%	58%	61%		
Educational revenues – SSLC / VIC	\$ 13,934	\$ 10,173	\$ 3,280	\$ 3,761	37
Gross margin – SSLC / VIC	38%	39%	16%		
Educational revenues – CIBT China	\$ 2,217	\$ 2,577	\$ 2,671	\$ (360)	(14)
Gross margin – CIBT China	36%	37%	35%		
Rental revenues – GECH	\$ 21,130	\$ 18,547	\$ 9,878	\$ 2,583	14
Gross margin – GECH	63%	65%	52%		
Development fees – GECH and Corporate	\$ 479	\$ 588	\$ 3,134	\$ (109)	(19)
Design and advertising revenues – IRIX	\$ 420	\$ 581	\$ 996	\$ (161)	(28)
Gross margin – IRIX	79%	74%	48%		
Commissions and referral fees – GEA	\$ 1,153	\$ 985	\$ 628	\$ 168	17
Gross margin – GEA	63%	61%	46%		
Gross profit ⁽¹⁾	\$ 43,547	\$ 41,962	\$ 35,200	\$ 1,585	4
Other expenses	\$ (36,276)	\$ (34,114)	\$ (33,956)	\$ (2,162)	6
Finance costs	(16,316)	(8,467)	(12,513)	(7,849)	93
Net gain on investment property fair value changes	7,835	8,650	8,802	(815)	(9)
Other income, net	54	1,945	8,175	(1,891)	(97)
Provision for expected credit losses on development and other assets	-	(26,940)	-	26,940	(100)
Impairment of development assets	-	(40,000)	-	40,000	(100)
Income (loss) before income taxes	\$ (1,156)	\$ (56,964)	\$ 5,708	\$ 55,808	(98)
Income tax recovery (expense)	520	1,194	(531)	(674)	(56)
Net income (loss)	\$ (636)	\$ (55,770)	\$ 5,177	\$ 55,134	(99)
Net income (loss) attributable to GECC shareholders	\$ (3,909)	\$ (15,336)	\$ 4,703	\$ 11,427	(75)
Income (loss) per share – GECC shareholders					
Basic	\$ (0.06)	\$ (0.22)	\$ 0.07	\$ 0.16	(74)
Diluted	\$ (0.06)	\$ (0.22)	\$ (0.01)	\$ 0.16	(74)
EBITDA [Non-IFRS] ⁽¹⁾	\$ 19,976	\$ (39,148)	\$ 21,409	\$ 59,124	(151)
Adjusted EBITDA [Non-IFRS] ⁽¹⁾	\$ 12,145	\$ 18,652	\$ 12,775	\$ (6,507)	(35)
Total assets	\$ 497,682	\$ 477,733	\$ 519,039	\$ 19,949	4
Total non-current financial liabilities	\$ 159,452	\$ 78,572	\$ 99,639	\$ 80,880	103

⁽¹⁾ 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”.

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

Operating results

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, 2023 were \$20,663 (August 31, 2022 - \$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 \$2,887 in Fiscal 2023 and \$6,301 in Fiscal 2022 when compared to the respective prior periods.

- Revenues for SSCC decreased nominally in Fiscal 2023 compared to Fiscal 2022 and 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 and wages rise, 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. Margin for Fiscal 2023 has remained consistent after a small decrease 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 2023 and Fiscal 2022 mainly as the result of substantially higher international student enrolment compared to the respective prior periods. International student enrolment in language and career programs has recovered well subsequent to the COVID-19 pandemic. Margins has remained consistent in Fiscal 2023 after a substantial increase in Fiscal 2022. 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.
- Revenues for CIBT China decreased in Fiscal 2023 and Fiscal 2022 when compared with the respective prior periods as recovery from COVID-19 restrictions has remained slow.

Real estate and student housing

- Rental revenues continued to rebound with rental revenues higher in each comparable quarter of Fiscal 2023 compared to Fiscal 2022 and Fiscal 2021. Annual rental revenues increased by \$2,583 in Fiscal 2023 and \$8,669 in Fiscal 2022 when compared to respective prior periods, as occupancy rates began to return to and in some cases exceed pre-COVID levels in late Fiscal 2022. Improved occupancy rate, higher average rental rates per square foot, and the completion and start of operations of GEC® King Edward in Q4 2023 contributed to an overall increase in rental revenue in Fiscal 2023.
- The Company's hotel property revenues represented 47% of the increase in revenues with those revenues increasing 16% in Fiscal 2023 compared to Fiscal 2022. The removal of travel restrictions in Fiscal 2022 and pent-up demand from travelers and students contributed to the increase.
- Margins in Fiscal 2023 decreased to 63% compared to 65% in Fiscal 2022. Direct costs increased at a higher rate relative to revenue increases due to increased costs as a result of the Company having resumed full year housekeeping services post-COVID, higher commissions associated with online bookings for the hotel operation, and general wage increases for Fiscal 2023.

Other operating costs (general and administrative expenses, provision for expected credit losses on trade and other receivables, depreciation and amortization, and share-based payment expense)

- General and administrative expenses increased by \$2,450 in Fiscal 2023 and by \$1,327 in Fiscal 2022 when compared to the respective prior periods as costs across all categories commensurate with operations have risen. The most significant increases in Fiscal 2023 include a \$1,003 increase in salaries in benefits, \$667 in professional, consulting and management fees, and \$349 in rent. Increases in Fiscal 2022 were primarily due to a \$895 increase in salaries and benefits, a \$495 increase in advertising, travel and promotion, a \$493 increase in rent, offset by a \$425 decrease in office and general expense. 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 \$121 in Fiscal 2023 and \$1,211 in Fiscal 2022 when compared to the respective prior periods, as certain property and equipment and finite life intangible assets were fully depreciated during these periods.

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 increased by \$7,849 in Fiscal 2023 and decreased by \$4,046 in Fiscal 2022 when compared to the respective prior periods, as a result of the following:

- Total interest expense, which includes interest on borrowings, accretion of finance fees and accretion of lease liabilities, increased by \$4,817 in Fiscal 2023 compared to Fiscal 2022. The increase in Fiscal 2023 was predominantly the result of higher prime-linked interest rates on borrowings during the period, and an increase in total borrowings in Fiscal 2023 compared to Fiscal 2022. Interest expense decreased by \$639 in Fiscal 2022 compared to Fiscal 2021 due to changes in the mix of borrowings, interest rates and finance fees.
- During Fiscal 2023, the Company recognized \$232 of non-cash debt modification gains associated with modifying debt agreements, compared to \$2,759 in Fiscal 2022. In Fiscal 2021, debt modification gains of \$1,115 were recognised and classified as other income, net.
- During Fiscal 2023, the Company recognized \$4 of non-cash unrealized fair value losses on embedded derivatives compared to \$490 of gains in Fiscal 2022 and \$168 of losses in Fiscal 2021. These gains and losses were 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 2023 the fair value of the investment properties held by the Company increased by \$7,835. The majority of revenue producing properties realised fair value gains, offset by fair value losses for properties under development. The fair value for certain properties under development did not change significantly from Fiscal 2022; however, fair value losses were recognized as some properties' borrowing and development costs capitalized exceeded fair value increases.
- In addition, there was a fair value loss of \$2,004 associated with the GEC[®] Viva right-of-use asset classified as an investment property in Fiscal 2023 compared to a loss of \$1,949 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. See section "Fourth Quarter and Full Year Highlights – Real estate portfolio and transactions" regarding the lease extension for GEC[®] Viva subsequent to August 31, 2023.

Other income, net

During Fiscal 2023, other income, net, decreased by \$1,891 compared to Fiscal 2022. Given the non-recurring nature of certain items in this financial statement category, fluctuations between comparative years are expected. Changes between Fiscal 2023 compared to Fiscal 2022 include:

- Interest and other income decreased by \$1,222 mainly as the Company did not recognize any interest income on the GEC LP9 receivable in Fiscal 2023.
- The Company did not realize any government subsidies in Fiscal 2023 in comparison to \$556 in Fiscal 2022.

Provision for expected credit losses on development and other assets

In Fiscal 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, 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. No additional provisions were made in Fiscal 2023.

Impairment of development assets

In Fiscal 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. No additional provisions were made in Fiscal 2023.

Income Taxes

During Fiscal 2023, income tax recovery was \$520 comprised of current tax expense of \$349, offset by deferred tax recovery of \$869, compared to income tax expense of \$1,194 comprised of current tax expense of \$104 and deferred tax recovery of \$1,298 in Fiscal 2022. During Fiscal 2023, the current tax expense was mainly the result of taxable income in both SSCC and SSLC/VIC. The deferred tax recovery was the result of deferred income taxes on fair value movements on investment properties and accumulation of non-capital loss carry forwards. Drivers for Fiscal 2023 current income tax expense and deferred income tax recovery were similar to Fiscal 2022.

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 2023	Q3 2023	Q2 2023	Q1 2023
Total revenues	23,243	19,901	17,130	18,329
Net income (loss)	3,353	(1,818)	(1,169)	(1,002)
Adjusted EBITDA ⁽¹⁾	3,420	3,550	2,065	3,078
Net loss - GECC shareholders	(634)	(479)	(1,397)	(1,399)
Loss per share - GECC shareholders – basic	(0.01)	(0.01)	(0.02)	(0.02)
Loss per share - GECC shareholders – diluted	(0.01)	(0.01)	(0.02)	(0.02)

	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 ⁽¹⁾	3,688	4,857	3,967	6,140
Net income (loss) - GECC shareholders	(15,573)	284	(288)	241
Income (loss) per share - GECC shareholders – basic	(0.23)	0.00	(0.00)	0.00
Income (loss) per share - GECC shareholders – diluted	(0.23)	0.00	(0.00)	0.00

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

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), the timing of recognition of development fees, and one-off losses such as provisions for expected credit losses and impairments. 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. Revenue was higher in each quarter of Fiscal 2023 when compared to Fiscal 2022 as the Company continues to experience recovery from COVID-19 impacts across its business.

The following additional factors have caused variation in results over the quarterly periods presented.

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. 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. Revenue increased each quarter in Fiscal 2023 as occupancy has remained high and market rates experienced gradual increases. In Fiscal 2023, occupancy and average daily room rates increased when compared to Fiscal 2022. Revenues at GEC® long-stay properties also increased in Fiscal 2023 due to higher average rental rates per square foot along with modest increases in occupancy rates.

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 geo-political conditions and high inflationary pressure may affect investment sentiments in the short-term causing slow-down in property development. 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.

In Fiscal 2022, the Company recognized one-off provisions for expected credit losses and an impairment loss totalling \$66,940 as described in the section above, "Fourth Quarter and Full Year Highlights - Real estate portfolio and transactions – GEC® Richmond."

Fourth Quarter 2023 Highlights

The following discusses the results for Q4 2023 compared to Q4 2022.

- Educational revenues increased to \$15,754 in Q4 2023 compared to \$13,837 in Q4 2022, an increase of 14%, primarily driven by strong enrolment from SSLC/VIC as international students continue to return post-COVID interruptions. Revenue for SSLC/VIC increased \$1,904 in Q4 2023 compared to Q4 2022. Margins remained consistent between Q4 2023 and Q4 2022, at 50% and 52%, respectively.
- Rental revenues increased by 13%, to \$7,117 in Q4 2023 from \$6,290 in Q4 2022, primarily due to GEC® King Edward beginning operations in Q4 2023. Average room rate for GEC® Granville and higher occupancy in other residential rental properties also contributed to the increase in rental revenues in Q4 2023.
- Net gains on changes in fair value of investment properties of \$5,986 were recognized in Q4 2023 compared to net gains of \$10,143 in Q4 2022.
- Finance costs increased by \$2,003 in Q4 2023 compared to Q4 2022 due to higher interest rates on borrowings.
- Net loss was \$3,353 for Q4 2023 compared to a net loss of \$55,898 for Q4 2022.
- Cash and cash equivalents decreased by \$4,175 in Q4 2023 compared to decrease of \$402 in Q4 2022.

For Q4 2023, significant changes from the Q3 2023 balance sheet include: increase in fair value of investment properties, decrease in working capital, and decrease in deferred revenue.

FINANCIAL CONDITION

The following table compares selected financial position information as at August 31, 2023 and August 31, 2022:

	August 31, 2023	August 31, 2022	Dollar change	% Change
Total current assets	\$ 26,408	\$ 33,793	\$ (7,385)	(28)
Investment properties	\$ 385,227	\$ 356,335	\$ 28,892	7
Development assets	\$ 1,378	\$ 1,378	\$ -	-
Other non-current assets	\$ 84,669	\$ 86,227	\$ (1,558)	(2)
Total assets	\$ 497,682	\$ 477,733	\$ 19,949	4
Total current liabilities	\$ 163,703	\$ 226,233	\$ (62,530)	(38)
Total non-current liabilities	\$ 170,842	\$ 89,468	\$ 81,374	48
Total liabilities	\$ 334,545	\$ 315,701	\$ 18,844	6
Equity – GECC shareholders	\$ 23,986	\$ 27,874	\$ (3,888)	(16)
Non-controlling interests	\$ 139,151	\$ 134,158	\$ 4,993	4
Total equity	\$ 163,137	\$ 162,032	\$ 1,105	1
Working capital (deficit) – see below	\$ (137,295)	\$ (192,440)	\$ 55,145	(40)
Net debt ⁽¹⁾	\$ 266,487	\$ 240,837	\$ 25,650	10

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

Total assets increased mainly as a result of additions and fair value adjustments to investment properties, offset by decrease in cash and cash equivalents, prepayments, and depreciation of property and equipment, right-of-use assets, and definite life intangible assets.

Total liabilities increased mainly as a result of additional borrowings to finance rental and investment properties, offset by payments to lease liabilities.

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 \$4,627 at the date of this report in addition to cash and cash equivalents of \$3,392 at August 31, 2023. The Company also has restricted cash of \$2,695 at August 31, 2023 mainly related to interest reserves held for certain real estate limited partnerships.

The Company continues to have a working capital deficit (\$137,295 at August 31, 2023, \$192,440 at August 31, 2022) 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.

GECC's negative working capital at August 31, 2023 and the change from August 31, 2022 is predominately driven by the following factors, including a decrease in cash and cash equivalents of \$6,332.

- The current portion of borrowings decreased to \$120,070 at August 31, 2023 from \$182,802 at August 31, 2022, reflecting the Company's ongoing efforts to manage capital.
- Current lease liabilities of \$2,878 at August 31, 2023 compared to \$4,186 at August 31, 2022, which do not match the non-current classification of the associated right-of-use assets.
- Deferred revenue of \$22,017 at August 31, 2023 compared to \$20,739 at August 31, 2022.

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 seek 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 2024 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 \$142 in cash for such repurchases in Fiscal 2023 (Fiscal 2022 - \$1,298).

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, 2023:

	Less than one year	2 – 3 years	4-5 years	Over 5 years	Total
<i>Financial Liabilities</i>					
Trade and other payables	\$ 18,292	\$ -	\$ -	\$ -	\$ 18,292
Secured loans ⁽¹⁾	127,567	123,254	3,097	30,727	284,645
Lease payments ⁽²⁾	5,625	7,617	5,481	7,750	26,473
2019 and 2020 Debentures	6,113	340	-	-	6,453
Other loans	244	5,521	203	407	6,375
Total Financial Liabilities	\$ 157,841	\$ 136,732	\$ 8,781	\$ 38,884	\$ 342,238
<i>Other Commitments</i>					
Income taxes payable	446	-	-	-	446
Total Financial Liabilities and Commitments	158,287	136,732	8,781	38,884	342,684

⁽¹⁾ Interest reserves of \$2,312 exist to offset future interest payments on certain borrowings.

⁽²⁾ Includes lease payments recognized as lease liabilities (Note 8 of Annual Financial Statements), estimated variable lease payments and short term lease payments.

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 2023, the Canadian prime rate (as published by the Bank of Canada) increased from 5.45% to 7.20%, resulting in the increase in the Company's weighted-average interest rate on borrowings of 9.4% at August 31, 2023 compared to 6.8% at August 31, 2022.

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 2023, the Company made all interest and principal payments on its borrowings, interest payments to its debenture holders, and refinanced numerous loans maturing in Fiscal 2023.

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, 2023 which are not recognized as liabilities.

Entity	Less than one year	2 to 4 years	5 years or later	Total
GEC Education Mega Center [®] (1)	4,143	-	7,487	11,630
Total	\$ 4,143	\$ -	\$ 7,487	\$ 11,630

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

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 are generally 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 2023	Fiscal 2022	Change	% Change
Cash flows provided by operating activities	\$ 2,213	\$ 6,748	\$ (4,535)	(67)
Cash flows used in investing activities	(18,665)	(27,738)	9,073	(33)
Cash flows provided by financing activities	10,122	12,397	(2,275)	(18)
Effects of exchange rate changes on cash and cash equivalents	(2)	(21)	19	(90)
Decrease in cash and cash equivalents	\$ (6,332)	\$ (8,614)	\$ 2,282	(26)
Cash and cash equivalents, beginning of year	9,724	18,338	(8,614)	(47)
Cash and cash equivalents, end of year	\$ 3,392	\$ 9,724	\$ (6,332)	(65)

Cash flows from operating activities vary from period to period as a result of the Company's operational performance, working capital requirements associated with its educational business and real estate projects.

Cash flows used in investing activities vary depending on the nature of transactions during a period, in particular investments in real estate projects. During Fiscal 2023, most of the cash used in investing activities was for development costs associated with the GEC[®] King Edward project, and for cash paid for borrowing costs which were capitalized to the GEC Education Mega Center[®], GEC[®] Oakridge and GEC[®] Cyber City projects. During Fiscal 2022, most of the cash used in investing activities was for development costs associated with the GEC[®] King Edward and GEC Education Mega Center[®] projects, and cash paid for borrowing costs which were capitalized in various projects.

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 2023 and Fiscal 2022. During Fiscal 2023, cash flows associated with borrowings were lower by \$2,429 as a result of lower amount of debt financing in the period. The Company also repurchased \$1,156 less of treasury shares in Fiscal 2023 compared to Fiscal 2022.

Outstanding share data

The authorized capital consists of 150,000,000 common shares without par value. As at November 28, 2023, the following common shares, stock options, and convertible debenture conversion options were outstanding:

	Number of shares	Exercise price	Remaining life (Years)
Common shares	67,521,140	-	-
Stock options	2,870,000	\$0.44 - \$0.71	0.36 – 3.7
Convertible debentures ⁽¹⁾	6,926,994	\$0.81 - \$0.82	0.5
Fully diluted	77,318,134		

⁽¹⁾ 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 2023, the Company received approval from the TSX to commence a new NCIB (the “**2023 NCIB**”) to purchase up to 3,374,877 of the Company’s previously issued common shares, subject to daily limits, from March 22, 2023 to March 21, 2024, to a maximum aggregate acquisition cost of approximately \$2,000. 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.

During Fiscal 2023, the Company repurchased 252,900 previously issued common shares at a cost of \$142 including 222,800 under the 2022 NCIB at a cost of \$129, and cancelled 939,600 common shares, leaving 47,100 common shares held in treasury at August 31, 2023. From September 1, 2023, to the latest practicable date, the Company did not repurchase any common shares under the 2023 NCIB leaving 47,100 common shares held in treasury under the 2023 NCIB. At the date of this report, the Company was eligible to purchase up to 3,351,377 additional previously issued common shares under the 2023 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. 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 (“**CEO**”), Paul Harman, its chief financial officer (“**CFO**”), and Hilbert Ng, its former CFO. In addition, fees paid to the Company’s directors are also presented below.

	Year Ended August 31, 2023		Year Ended August 31, 2022	
Management fees, salaries and director’s fees ⁽¹⁾	\$	1,138	\$	1,321
Share-based compensation		78		119
Total remuneration	\$	1,216	\$	1,440

⁽¹⁾ Total remuneration includes nominal post-employment benefits.

At August 31, 2023, amounts due from directors and officers of the Company were \$138 compared to amounts due to directors and officers of the Company of \$195 at August 31, 2022 - \$195. At August 31, 2023, amounts owing to the president of IRIX for previous advances amounted to \$107 compared to \$114 at August 31, 2022, 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.

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>	Fiscal 2023	Fiscal 2022	Q4 2023	Q4 2022
Net income (loss)	(636)	(55,770)	3,353	(55,898)
Deduct: interest income ⁽¹⁾	(59)	(775)	(21)	(127)
Add: interest expense	16,543	11,726	4,556	2,254
Add: income tax (recovery) provision	(520)	(1,194)	365	(1,289)
Add: depreciation and amortization ⁽²⁾	4,648	6,865	1,019	1,970
EBITDA [non-IFRS]	19,976	(39,148)	9,272	(53,090)
Deduct net gain on fair value changes in investment properties	(7,835)	(8,650)	(5,786)	(10,143)
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 ⁽³⁾	4	(490)	(66)	(19)
Adjusted EBITDA [non-IFRS]	12,145	18,652	3,420	3,688

⁽¹⁾ 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.

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

⁽³⁾ 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 loss and comprehensive 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 Accounting Standards as issued by the IASB. Note 29 of the Annual Financial Statements provides details of the Company's 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 new accounting standards which were adopted by the Company in the current fiscal year. There are new standards applicable to the Company for the next fiscal year starting September 1, 2023. 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

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 CEO and 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, 2023 and the date of this Management's Discussion & Analysis, the disclosure controls and procedures were effective.

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, 2023, 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, 2023, the Company determined that there were no material deficiencies in the Company's internal controls over financial reporting for Fiscal 2023.

Changes in Internal Control over Financial Reporting

There have been no changes during Fiscal 2023 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 2023 filed under the Company's profile on SEDAR+ at www.sedarplus.ca. 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 GECC
- 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
- foreign government policy relating to education that may affect students from studying abroad
- Bank of Canada monetary policy may affect market interest rates
- compliance with rules and requirements applicable to public companies may cause the Company to incur increased costs