



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

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

FOR THE NINE MONTHS ENDED MAY 31, 2023

GLOBAL EDUCATION COMMUNITIES CORP.
(THE “COMPANY” OR “GECC”)
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED MAY 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 condensed consolidated interim financial statements and related notes for the nine months ended May 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. 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).

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 continue to increase for the remainder of Fiscal 2023: the underlying material factors or assumptions are that students will continue to pursue education in increasing numbers and that travel restrictions which have a material effect on international student enrolment 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. The trend of increasing interest rates has slowed in 2023 but we anticipate it to continue for the rest of 2023: the underlying assumption being that the Bank of Canada has not achieved its inflation target and will continue to increase its prime lending rate in an effort to restore price stability.
4. 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.
5. 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 with viable interest rates 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).

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.

“**Q3 2023 Financial Statements**” means the Company’s condensed consolidated financial statements for Q3 2023.

“**Q3 2022 Financial Statements**” means the Company’s condensed consolidated financial statements for Q3 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

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

“**Q2 2023**” means the three months ended February 28, 2022

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

“**2023 YTD**” means the nine months ended May 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

“**2022 YTD**” means the nine months ended May 31, 2022

“**Q2 2021**” means the three months ended February 28, 2021

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

“**Q3 2020**” means the three months ended May 31, 2020

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 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 15 of this MD&A.

Date of Report – July 17, 2023

GLOBAL EDUCATION COMMUNITIES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR NINE MONTHS ENDED MAY 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 trading symbol 'GEC' 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 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 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 the Metro Vancouver area of British Columbia
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: *Real Estate services*: GECH; *Educational services*: SSCC, SSLC/VIC, GEA, and CIBT China; and *Media & Communications*: IRIX.

THIRD QUARTER HIGHLIGHTS

There are currently no federal COVID-19 border measures in place, although it is possible that travel restrictions could return. Companies worldwide, including the Company, continue to be impacted by inflation, interest hikes, staff shortages, supply-chain issues, and increased logistic costs. There have been no significant changes to the information appearing in the sections of the Annual MD&A titled *Industry Growth Prospect* or *Outlook for Fiscal 2023*.

Real estate portfolio and transactions

From time to time, the Company receives 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[®] properties. Despite a promising rental environment, inflation and interest rate increases continue to create economic uncertainty, while the Company's total revenue achieved moderate growth year over year.

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, except for GEC[®] Viva.

GEC[®] Langara

In November 2022, the Company formed a new limited partnership associated with a potential project to be named GEC[®] Langara, with plans to purchase a property near the Cambie Street Canada Line station. The Company did not remove the condition for the purchase while discussions are continuing.

GEC[®] Richmond

On April 1, 2022, the Vancouver based developer of the Atmosphere project (the "**Project**") (at which GEC[®] Richmond is to be located) 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. The history related to this Project is discussed in the "Fourth Quarter and Full Year Highlights – GEC[®] Richmond" section of the Annual MD&A.

In February 2023, the proceedings under the CCAA were stayed until June 2023 and the sales and investment solicitation process was terminated until June 2023 to allow the Developer to focus on obtaining a new building permit. More information on the CCAA process can be found at <https://www.bowragroup.com/client/atmosphere/>. On May 31, 2023, the stay was extended again to September 2023.

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. A trial date for the civil claim is now set for early 2024.

Borrowings

During Fiscal 2023, limited partnerships controlled by the Company borrowed \$121,881 under current and several new financing agreements and repaid existing secured loans of \$103,598. In addition, the terms of various financing arrangements were modified to change maturity dates, interest rates, or both. Non-cash losses of \$176 on non-substantial modifications of debt were recognized, of which \$464 of losses was capitalised as investment properties under development in the condensed consolidated statements of financial position, and \$640 of gains recognized as income in the condensed consolidated statements of comprehensive income (loss).

The prime interest rate charged by Canada's major banks increased over 148% from 2.7% to 6.70% from March 2022 to May 2023 (and further increased to 7.2% as at the date of this report), causing volatility to the financial and credit markets and impacting the finance costs for the Company's real estate division. The Company regularly adjusts the rental rate for new tenants and during contract renewals with school partners. Most rental contracts between GECH and its tenants expire within a year. Some students will return home during the summer break, and most will depart after graduation, allowing the Company to adjust the rental rates on its properties according to the market conditions.

At May 31, 2023, approximately 72% of the Company's debt portfolio had variable interest rates tied to the prime rate. During Q3 2023, interest expense and interest paid increased as a result of higher interest rates. During the same period, management refinanced loan agreements, including three new secured mortgages and an existing bond. See "Financial Instruments and Financial Risk Management – *Maturities of financial liabilities*" for further details.

QUARTERLY FINANCIAL REVIEW

The Company's selected financial information for the last eight completed fiscal quarters is shown in the table below. Accounting policies under IFRS were consistently applied across all periods.

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Total revenues	19,901	17,130	18,329	20,564
Net income (loss)	(1,818)	(1,169)	(1,002)	(55,898)
Adjusted EBITDA ⁽¹⁾	3,550	2,065	3,078	3,688
Net income (loss) – GECC shareholders	(479)	(1,397)	(1,399)	(15,573)
Income (loss) per share – GECC shareholders – basic and diluted ⁽²⁾	(0.01)	(0.02)	(0.02)	(0.23)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Total revenues	18,879	16,718	17,074	16,069
Net income (loss)	56	(782)	854	(1,112)
Adjusted EBITDA ⁽¹⁾	4,857	3,967	6,140	2,028
Net income (loss) – GECC shareholders	284	(288)	241	(2,052)
Income (loss) per share – GECC shareholders – basic and diluted ⁽²⁾	0.00	(0.00)	0.00	(0.03)

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

⁽²⁾ Basic and diluted net income per share is the same for all periods.

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, 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 continued to be impacted for the periods presented; however, the Company experienced recovery and growth in the majority of its business as evident in revenue increases for all comparative periods between Fiscal 2023 and Fiscal 2022. 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 the development and other assets of one project, GEC[®] Richmond, which significantly skewed the results for Q4 2022 and is not reflective of continuing operations.

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 toward 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, 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 increased, and management expects contracts to continue to be available. However, due to the significant labour shortage and many available job opportunities, some students chose to defer their studies and enter the workforce leading to lower domestic registration in Fiscal 2022. This move to the workforce appears to be subsiding as SSCC's revenues have recovered steadily in 2023 YTD; SSCC's revenues in the first three quarters of Fiscal 2023 have been higher than each prior quarter going back to and including Q4 2021.

The overall trend in the number of students from Fiscal 2021 to Fiscal 2023 for SSLC/VIC was an increasing trend. 2023 YTD were close to pre-COVID levels due to the accumulation of returning international students who suspended their travel during calendar 2020 and 2021.

The overall trend between Fiscal 2021 to Fiscal 2023 for rental revenue was an increasing trend. New properties were acquired and occupancy permits were issued over the last two fiscal years. In the second half of Fiscal 2022, occupancy at the hotel property was over 10% higher than the 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 have been increasing since Q2 2021 and continued to grow in Fiscal 2022, with all properties exceeding pre-COVID occupancy levels by the end of Fiscal 2022. This trend has continued into Fiscal 2023.

Development fees recognition is dependent 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, interest rate increases, and tightening of the credit market compounded by post-pandemic concerns, affected investment sentiments in the short-term, causing a slow-down of large-scale new developments. In contrast, small to mid-size developments are expected to remain popular due to demand for rental property outstripping supply. Furthermore, backlogs at the various departments of the cities where the Company has real estate projects are expected to impact the timing of real estate project status and thus the development fee recognition.

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REVIEW OF YEAR TO DATE FINANCIAL RESULTS

The table below provides the key financial performance of each main business unit of the Company for Q3 2023 compared to Q3 2022. Information by business segment is presented in Note 16 to the Q3 2023 Financial Statements. This information should be read in conjunction with the Q3 2023 Financial Statements.

	Q3 2023	Q3 2022	Absolute Change	% change ⁽²⁾
Total revenues	\$ 19,901	\$ 18,879	\$ 1,022	5
Gross margin ⁽¹⁾	56%	57%	(1%)	
Educational revenues – SSCC	\$ 10,820	\$ 10,698	\$ 122	1
Gross margin – SSCC	60%	58%	2%	
Educational revenues – SSLC / VIC	\$ 2,738	\$ 2,467	\$ 271	11
Gross margin – SSLC / VIC	38%	36%	2%	
Educational revenues – CIBT China	\$ 649	\$ 713	\$ (64)	(9)
Gross margin – CIBT China	51%	39%	12%	
Rental revenues – GECH	\$ 4,965	\$ 4,611	\$ 354	8
Gross margin – GECH	56%	69%	(10%)	
Development fees – GECH and Corporate	\$ 98	\$ -	\$ 98	100
Design and advertising revenues – IRIX	\$ 74	\$ 142	\$ (68)	(48)
Gross margin – IRIX	68%	85%	(17%)	
Commissions and referral fees – GEA	\$ 557	\$ 248	\$ 309	125
Gross margin – GEA	64%	50%	14%	
Gross profit ⁽¹⁾	\$ 11,240	\$ 10,770	\$ 472	4
Other operating costs	\$ (8,669)	\$ (8,337)	\$ (332)	4
Finance costs	(4,029)	(2,830)	(1,199)	42
Net gain (loss) on investment property fair value changes	(511)	(507)	(4)	1
Other income (expense), net	(49)	1,015	(1,064)	(105)
Income (loss) before income taxes	\$ (2,018)	\$ 111	\$ (2,129)	n/m
Income tax recovery (expense)	200	(55)	255	(464)
Net income (loss)	\$ (1,818)	\$ 56	\$ (1,874)	n/m
Net income (loss) attributable to GECC shareholders	\$ (479)	\$ 284	\$ (703)	(269)
Dividends declared	-	-	-	-
Income (loss) per share – GECC shareholders				
Basic	(\$0.01)	\$0.00	(\$0.01)	n/m
Diluted	(\$0.01)	\$0.00	(\$0.01)	n/m
EBITDA [Non-IFRS] ⁽¹⁾	\$ 3,104	\$ 4,536	\$ (1,432)	(32)
Adjusted EBITDA [Non-IFRS] ⁽¹⁾	\$ 3,550	\$ 4,857	\$ (1,307)	(27)

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

	2023 YTD	2022 YTD	Absolute Change	% change ⁽²⁾
Total revenues	\$ 55,360	\$ 52,671	\$ 2,689	5
Gross margin ⁽¹⁾	56%	58%	(2%)	
Educational revenues – SSCC	\$ 29,381	\$ 30,007	\$ (626)	(2)
Gross margin – SSCC	58%	59%	(1%)	
Educational revenues – SSLC / VIC	\$ 8,363	\$ 6,496	\$ 1,867	29
Gross margin – SSLC / VIC	38%	39%	(1%)	
Educational revenues – CIBT China	\$ 2,829	\$ 2,194	\$ 635	29
Gross margin – CIBT China	45%	38%	7%	
Rental revenues – GECH	\$ 14,013	\$ 12,257	\$ 1,756	14
Gross margin – GECH	62%	65%	(3%)	
Development fees – GECH and Corporate	\$ 479	\$ 588	\$ (109)	(19)
Design and advertising revenues – IRIX	\$ 295	\$ 399	\$ (104)	(26)
Gross margin – IRIX	82%	71%	11%	
Commissions and referral fees – GEA	\$ 906	\$ 730	\$ 176	24
Gross margin – GEA	57%	64%	(7%)	
Gross profit ⁽¹⁾	\$ 30,882	\$ 30,228	\$ 472	2
Other operating costs	\$ (26,376)	\$ (24,805)	\$ (1,571)	6
Finance costs	(11,437)	(8,991)	(2,446)	27
Net gain (loss) on investment property fair value changes	2,049	(1,493)	3,542	(237)
Other income (expense), net	8	5,284	(5,276)	(100)
Income (loss) before income taxes	\$ (4,874)	\$ 223	\$ (5,097)	(23)
Income tax recovery (expense)	885	(95)	980	n/m
Net income (loss)	\$ (3,989)	\$ 128	\$ (4,117)	n/m
Net income (loss) attributable to GECC shareholders	\$ (3,275)	\$ 237	\$ (3,512)	n/m
Dividends declared	-	-	-	-
Income (loss) per share – GECC shareholders				
Basic	(\$0.05)	\$0.00	(\$0.05)	n/m
Diluted	(\$0.05)	\$0.00	(\$0.05)	n/m
EBITDA [Non-IFRS] ⁽¹⁾	\$ 10,704	\$ 13,942	\$ (3,238)	(23)
Adjusted EBITDA [Non-IFRS] ⁽¹⁾	\$ 8,725	\$ 14,964	\$ (6,239)	(42)

⁽¹⁾ 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 15 of this MD&A.

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

Q3 2023 compared to Q3 2022**Educational**

Educational revenues predominately consist of tuition fees, sales of textbooks, supplies and related items, and other non-training services, which include registration and administration fees. Deferred education revenues at May 31, 2023 were \$25,744 (August 31, 2022 - \$19,715) which primarily represents revenues which will be recognized as programs are provided by each of its schools over the next one to two fiscal years depending on the various types of programs. Overall education revenues increased by \$329 in Q3 2023 compared to Q3 2022, and increased by \$1,876 in 2023 YTD compared with 2022 YTD.

- Revenues for SSCC remained consistent in Q3 2023 compared to Q3 2022 due to nominal decreases in domestic revenues, which include providing instruction to students under government-funded programs, partially offset by increases in international revenues. Management believes there are now fewer domestic students as earlier in the pandemic, students took the opportunity to further their education when employment was not available; as work opportunities become available, enrolment is expected to decrease in some periods. SSCC's international revenues have started to increase; however, increases in international airfares have delayed potential international students' decision to study overseas for long term programs. International education revenues continue to be lower than pre-pandemic levels. Margins for SSCC increased nominally in Q3 2023 compared to Q3 2022 mainly due to higher student enrollment. The factors influencing the trend in 2023 YTD when compared to 2022 YTD are the same as for Q3 2023 compared to Q3 2022.
- Revenues for SSLC/VIC increased in Q3 2023 by 11% compared to Q3 2022, mainly as a result of higher international student enrolment into short-term programs, including increased homestay, textbook and commission revenue. Recovery of international student enrolment in language and career programs has been steady over the quarters as expected. The Company anticipates that enrolment will continue to increase in Fiscal 2023. Margins remained consistent when compared with Q2 2022. The increased revenue neutralized the impact of the increased teacher salaries in the difficult labour market. The factors influencing the trend in 2023 YTD when compared to 2022 YTD are the same as for Q3 2023 compared to Q3 2022.
- Revenues for CIBT China was lower in Q3 2023 compared to Q3 2022 by 9% as recovery from COVID-19 restrictions slow down, despite 2023 YTD revenue being 29% above the comparative period in 2022.

Real estate and student housing

- Rental revenues increased 8% in Q3 2023 compared to Q3 2022 due to higher occupancy rates and rental rates. The Company's hotel property – GEC[®] Granville generated the highest gross rental increase predominantly through higher room rates despite lower occupancy rates during the low season. The factors influencing the trend in 2023 YTD when compared to 2022 YTD are the same as for Q3 2023 compared to Q3 2022.
- Margins decreased by 10% in Q3 2023 to 59% from 69% in Q3 2022 due to higher insurance premiums and relatively higher costs for housekeeping, which was suspended during COVID-19 lockdowns in Fiscal 2022. Total revenue increase for 2023 YTD was relatively higher than direct cost increases. As a result, margins were marginally lower at 3% compared to 2022 YTD.
- During Q3 2023, development fees earned were associated with GEC[®] Oakridge and GEC Education Mega Center[®].

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

- General and administrative expenses increased by \$412 in Q3 2023 compared to Q3 2022. The most significant increases include \$221 increase in salaries and benefits, \$135 increase in rent, and \$127 increase in consulting and professional fees. Management continues to monitor spending; however, inflation is impacting the cost of key expenditures. General and administrative expenses increased by \$1,680 in 2023 YTD when compared to 2022 YTD. The factors influencing the trend in 2023 YTD when compared to 2022 YTD are the same as for Q3 2023 compared to Q3 2022.

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 in Q3 2023 from Q3 2022 as a result of the following:

- Total interest costs, which is impacted by changes in the mix of borrowings, interest rates, financing fees and interest related to lease liabilities, increased by \$1,102 in Q3 2023 when compared to Q3 2022. This was mainly due to higher interest rates on secured loans, partially offset by lower accretion of finance fees and lease liabilities in the period. The same factors influenced the increase in 2023 YTD total interest costs of \$2,515 when compared to 2022 YTD.
- The Company recognized a lower loss from change in fair value of derivatives of \$121 for the comparative quarters, and lower loss of \$541 when comparing 2023 YTD and 2022 YTD periods.
- The Company recognised debt modification loss of \$620 as finance costs in 2023 YTD. Debt modification gains of \$3,400 was recognised in 2022 YTD but categorised under other income (expense), net.

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

There was a net non-cash fair value loss of \$511 in Q3 2023 associated with the GEC[®] Viva right-of-use asset classified as an investment property. In Q1 2023 and Q2 2023, there was a fair value loss of \$398 and \$479, respectively, associated with GEC[®] Viva right-of-use asset.

Other income (expense), net

Given the non-recurring nature of certain items in this financial statement category, fluctuations between comparative periods are expected. During periods Q3 2023 and 2023 YTD, other income (expense), net, decreased by \$1,064 and \$5,276 when compared to comparative periods in 2022, respectively. Changes were primarily the result of:

- The Company recognised debt modification gains of \$380 and \$3,400 for Q3 2022 and 2022 YTD, respectively. Debt modification gains and losses were recognised as finance costs for comparative periods in 2023.
- No government subsidies were received in 2023 YTD compared to \$556 received in 2022 YTD.

FINANCIAL CONDITION

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

	May 31, 2023	August 31, 2022	Dollar change	% Change
Total current assets	\$ 35,914	\$ 33,793	\$ 2,121	6
Investment properties	\$ 376,084	\$ 356,335	\$ 19,749	5
Development assets	\$ 1,378	\$ 1,378	\$ -	-
Other non-current assets	\$ 84,548	\$ 86,227	\$ (1,679)	(2)
Total assets	\$ 497,924	\$ 477,733	\$ 20,191	4
Total current liabilities	\$ 168,039	\$ 226,233	\$ (58,194)	(35)
Total non-current liabilities	\$ 169,711	\$ 89,468	\$ 80,243	47
Total liabilities	\$ 337,750	\$ 315,701	\$ 22,049	7
Equity – GECC shareholders	\$ 24,617	\$ 27,874	\$ (3,257)	(13)
Non-controlling interests	\$ 135,557	\$ 134,158	\$ 1,399	1
Total equity	\$ 160,174	\$ 162,032	\$ (1,858)	(1)
Working capital (deficit) – see below	\$ (132,125)	\$ (192,440)	\$ 60,315	(46)
Dividends declared	\$ -	\$ -	\$ -	-
Net debt ⁽¹⁾	\$ 261,336	\$ 240,837	\$ 20,499	8

(1) Total borrowings less cash and cash equivalents

Total assets increased mainly as the result of: (a) development costs and capitalized borrowing costs added to investment properties; and (b) increase in trade receivables; offset by (c) decrease in cash and cash equivalents. Total liabilities increased mainly due to: (a) increased borrowings for real estate projects and corporate activity; (b) an increase in deferred revenues; and (c) an increase in trade and other payables. Non-controlling interests have increased as the result of additional investment by third parties into the Company's real estate limited partnerships.

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 had cash and cash equivalents of \$7,567 at May 31, 2023. The Company also had restricted cash of \$5,547 at May 31, 2023 including cash held for the payment of future interest payments on certain secured debt and 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 fluctuates 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.

The Company's working capital deficit decreased from August 31, 2022 to May 31, 2023 mainly as the result of refinancing certain secured loans with longer maturities and extending maturity dates for certain corporate debentures, which reduced current borrowings by 35% or \$63,498.

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. See below section "Financial Instruments and Financial Risk Management – *Maturities of financial liabilities*" for changes in contractual undiscounted cash flows associated with the Company's financial liabilities and capital commitments since August 31, 2022.

Between March 3, 2022 to May 31, 2023, the prime interest rate charged by Canada's major banks has increased by 148% from 2.70% to 6.70%, causing volatility to the financial and credit markets, which impacted the finance costs for the Company's real estate division. To offset the rising interest costs, the Company regularly adjusts the rental rates for new tenants and during contract renewals with school partners. Most rental contracts between GECH and its tenants expire within twelve months. Some students will return home during the summer break, and most will depart after graduation, allowing the Company to adjust the rental rates on its properties according to the market rates. Between June 1, 2023 and the date of this report, the Bank of Canada increased its policy rate twice and Canada's major banks increased their prime interest rates to 7.2%. We anticipate that the interest rate trend will stabilize in 2023 (although no assurance can be given that this will occur), putting pressure on our rental rate adjustments to catch up with the interest cost increases.

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. See below section *Treasury Shares* for the Company's treasury share purchases for the period.

Analysis of cash flows

The following table summarizes cash inflows and outflows for the following periods. 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.

	Q3 2023	Q3 2022	2023 YTD	2022 YTD
Cash flows (used in) operating activities	\$ 2,584	\$ 8,251	\$ 1,874	7,850
Cash flows (used in) investing activities	(4,761)	(7,061)	(15,699)	(20,544)
Cash flows provided by financing activities	5,977	2,123	11,668	5,824
Effects of exchange rate changes on cash and cash equivalents	(35)	(85)	-	(44)
Increase (decrease) in cash and cash equivalents	\$ 3,765	\$ 3,228	\$ (2,157)	(6,914)
Cash and cash equivalents, beginning of period	3,802	8,196	9,724	18,338
Cash and cash equivalents, end of period	\$ 7,567	\$ 11,424	\$ 7,567	11,424

Cash flows used in or provided by 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 the timing of receipt of development fee revenues. Net changes in working capital increased in Q3 2023 compared to Q3 2022 due in part to the movement of trade and other receivables and accounts payable. Management has assessed that there is no increased collection risk on the increase in trade accounts receivables which correlated mainly to the increased receivables at SSCC and SSLC/VIC. Cash outflows associated with interest payments and finance fees increased in Q3 2023 compared to Q3 2022 as noted above under "Review of Year to Date Financial Results – Q3 2023 compared to Q3 2022".

Cash flows used in investing activities vary depending on the nature of transactions during a period. During Q3 2023, most of the cash was used for development costs and capitalized borrowing costs associated with the GEC[®] King Edward, GEC[®] Oakridge, GEC Education Mega Center[®] and GEC Education Super Center[®] projects. During Q3 2022, most of the cash was used for development costs associated with the GEC[®] King Edward and GEC Education Mega Center[®] projects as well as interest costs paid which were capitalized to investment properties.

Cash provided by financing activities varies depending on the borrowing transactions, non-controlling interest contributions and distributions, and the Company's treasury share buyback activity. During Q3 2023, there was more third-party funding compared to Q3 2022; additionally, there were more net capital contributions received by the Company's limited partnerships compared to Q3 2022. Note 14(b) of the Q3 2023 Financial Statements provides additional detail of the change in borrowings including cash and non-cash related items for Q3 2023 and Q3 2022.

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 is included in Note 22 and Note 23 to the Annual Finance Statements. There were no significant changes in the Company's exposures to those risks during the nine months ended May 31, 2023, except related to interest rate risk.

The prime rate increased several times during the nine months ended May 31, 2023 which inherently increases interest rate risk. Increased interest rates result in additional required cash flows to finance debt which will impact the Company's results and future cash flows. The total proportion of principal subject to variable interest remained the same at approximately 72% at May 31, 2023 when compared with the 68% at August 31, 2022. The weighted average rate paid by the Company at May 31, 2023 was 9.04% on its secured loans, an increase from 9.03% at August 31, 2022.

Maturities of financial liabilities

The table of the maturities of financial liabilities at May 31, 2023 is presented in Note 10(b) to the Q3 2023 Financial Statements. During Q3 2023, the Company refinanced several of its loan agreements, reducing committed undiscounted cash flows due less than one year from \$240,595 at August 31, 2022 to \$161,553 at May 31, 2023. Consequently, committed undiscounted cash flows due between 2 – 3 years increased from \$29,112 at August 31, 2022 to \$139,992.

Outstanding share data

The authorized capital of GECC consists of 150,000,000 common shares without par value. As at the date of this report, the following common shares, stock options, and convertible debentures were outstanding:

	Number of shares	Exercise or conversion price	Remaining life (Years)
Common shares	67,521,140	-	-
Stock options	3,170,000	\$0.44 - \$0.71	0.50 – 3.87
Convertible debentures ⁽¹⁾	6,926,994	\$0.81 - \$0.81	0.89
Fully diluted	77,618,134		

⁽¹⁾ Convertible debentures number represents the number of common shares which would be issued if the debenture holder exercised the conversion option embedded with in the debentures. The conversion price for the HKD denominated debenture has been converted into Canadian dollars.

Treasury shares

In March 2022, the Company received approval from the TSX to undertake a normal course issuer bid (the “**2022 NCIB**”) to purchase up to 3,423,000 of the Company’s previously issued common shares, from March 21, 2022 to March 20, 2023, to a maximum aggregate acquisition cost of \$3,000.

In March 2023, the Company received approval from the TSX to undertake a new normal course issuer bid (the “**2023 NCIB**”) to purchase up to 3,374,877 of the Company’s previously issued common shares, from March 22, 2023 to March 21, 2024, to a maximum aggregate acquisition cost of approximately \$2,000.

Pursuant to the 2022 NCIB and 2023 NCIB, the Company acquired the following common shares:

	Nine months ended	
	May 31, 2023	May 31, 2022
Beginning of fiscal year – common shares held in treasury	733,800	207,000
Common shares purchased ⁽¹⁾	252,900	1,562,100
Common shares cancelled	(939,600)	(1,517,500)
End of period – common shares held in treasury	47,100	251,600

⁽¹⁾ During the nine months ended May 31, 2023, the Company spent \$142 (2022 - \$1,099) in purchasing its common shares.

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 May 31, 2023, 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 five senior executives and its directors. Fees paid to the Company’s key management personnel and directors are presented below.

	Three Months Ended May 31,		Nine months Ended May 31,	
	2023	2022	2023	2022
Management fees, salary, director’s fees	\$ 297	\$ 248	\$ 799	\$ 750
Share-based compensation	32	10	72	50
Total remuneration	\$ 329	\$ 258	\$ 871	\$ 800

At May 31, 2023, amounts owing to directors and officers of the Company for management fees and bonuses amounted to \$23 (August 31, 2022 - \$195). At May 31, 2023, amounts owing to the president of IRIX for previous advances amounted to \$101 (August 31, 2022 - \$114) 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. These amounts are not expected to recur on a regular basis. 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.

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EBITDA and Adjusted EBITDA (continued)

The following table reconciles these non-IFRS measures to the most directly comparable IFRS measure disclosed in the Q3 2023 Financial Statements, which is net income (loss).

	Q3 2023		Q3 2022	
Net income (loss)	\$	(1,818)	\$	56
Deduct: interest income ⁽¹⁾		(24)		(320)
Add: interest expense		4,094		3,016
Add: income tax (recovery) provision		(200)		55
Add: depreciation and amortization ⁽²⁾		1,052		1,729
EBITDA [non-IFRS]	\$	3,104	\$	4,536
Add loss /deduct (gain) on net changes in fair value of investment properties		511		507
Add loss /deduct (gain) on embedded derivatives, net ⁽³⁾		(65)		(186)
Adjusted EBITDA [non-IFRS]	\$	3,550	\$	4,857

	2023 YTD		2022 YTD	
Net income (loss)	\$	(3,989)	\$	128
Deduct: interest income ⁽¹⁾		(38)		(648)
Add: interest expense		11,987		9,472
Add: income tax (recovery) provision		(885)		95
Add: depreciation and amortization ⁽²⁾		3,629		4,895
EBITDA [non-IFRS]	\$	10,704	\$	13,942
Add loss /deduct (gain) on net changes in fair value of investment properties		(2,049)		1,493
Add loss /deduct (gain) on embedded derivatives, net ⁽³⁾		70		(471)
Adjusted EBITDA [non-IFRS]	\$	8,725	\$	14,964

⁽¹⁾ Interest income not associated with operations is a component of interest and other income disclosed in Note 13 to the Q3 2023 Financial Statements

⁽²⁾ Includes amortization of agency fees which is a component of educational direct costs

⁽³⁾ Included in finance costs within Note 12 to the Q3 2023 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 16 to the Q3 2023 Financial Statements provides gross profit and revenue amounts for each business unit.

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

The unaudited condensed consolidated interim financial statements include the accounts of GECC, the ultimate parent company of the consolidated group, and its subsidiaries and are prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). Certain disclosures included in annual financial statements prepared under IFRS as issued by the IASB have been condensed or omitted. Accordingly, the unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's Annual Financial Statements.

The Company's interim results are not necessarily indicative of its results for a full year. All amounts are expressed in thousands of Canadian dollars except per share and share amount or unless otherwise noted. Certain comparative figures have been reclassified to conform to the current period's presentation.

The accounting policies applied in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in Note 29 of the Company's Annual Financial Statements, with the exception of the nature of restricted cash which at May 31, 2023 includes amounts held by the Company restricted to be used for specific interest payments on borrowings.

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. Critical accounting estimates represent estimates that are uncertain, and for which changes in those estimates could materially impact the consolidated financial statements. In preparing the Company's unaudited condensed consolidated interim financial statements for the nine months ended May 31, 2023, the Company applied the critical judgements and estimates, including significant areas of estimation uncertainty in applying these policies, disclosed in Note 3 of the Company's Annual Financial Statements.

ACCOUNTING STANDARDS DEVELOPMENT

There were no accounting changes adopted by the Company in the nine months ended May 31, 2023. The impact of future accounting changes applicable to the Company of standards which are issued but not yet effective until a future date is disclosed in Note 4(b) to the Company's Annual Financial Statements. The listing includes 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 partnerships and by the Company and certain of its other 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.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions as at May 31, 2023 and the date of this report other than as disclosed elsewhere in this document.

DISCLOSURE CONTROLS AND PROCEDURES & INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure controls and procedures. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in the Company's internal controls over financial reporting or disclosure controls and procedures during the nine months ended May 31, 2023, that have materially affected, or are reasonably likely to have materially affected, the Company's internal controls 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 others mentioned elsewhere in this MD&A. A more detailed description of certain of the risks and uncertainties, and others, 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. See also above under "Forward-Looking Information."

- the performance of the real estate business depends on the 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 and availability 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 toward all of the limited partners, which may result in decisions that are not beneficial to the Company
- 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 the Company's hotel
- 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
- cyber security risk resulting in lost or damage to Company data and causing major disruption to operations
- 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
- compliance with rules and requirements applicable to public companies may cause the Company to incur increased costs
- 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