



GLOBAL EDUCATION COMMUNITIES CORP.

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

FOR THREE MONTHS ENDED NOVEMBER 30, 2025 AND NOVEMBER 30, 2024

GLOBAL EDUCATION COMMUNITIES CORP.
(the “Company” or “GECC”)
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THREE MONTHS ENDED NOVEMBER 30, 2025 AND NOVEMBER 30, 2024

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 condensed consolidated interim financial statements and related notes for the three months ended November 30, 2025 which have been prepared in accordance with IFRS® Accounting Standards 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. 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 has made assumptions on future revenue from properties under development based on expected rental rates, occupancy rates and proposed building plans.

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, 2025 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 January 13, 2026. In this MD&A, the following terms have the meanings shown:

“Annual Financial Statements” means the Company’s consolidated financial statements for Fiscal 2025.

“Annual MD&A” means the Company’s MD&A for the year ended August 31, 2025.

“Q1 2026 Financial Statements” means the Company’s condensed consolidated interim financial statements for the three months ended November 30, 2025.

“Fiscal 2026” means the fiscal year ending August 31, 2026.

“Fiscal 2025” means the fiscal year ended August 31, 2025.

“Q1 2026” means the three months ended November 30, 2025.

“Q1 2025” means the three months ended November 30, 2024.

“Q2 2025” means the three months ended February 28, 2025.

“Q3 2025” means the three months ended May 31, 2025.

“Q4 2025” means the three months ended August 31, 2025.

“Q2 2024” means the three months ended February 29, 2024.

“Q3 2024” means the three months ended May 31, 2024.

“Q4 2024” means the three months ended August 31, 2024.

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 one-off gains (losses) on sale of property and equipment, gain (loss) on change in fair value of the Company’s controlled and jointly controlled investment properties, the gain (loss) on change in fair value of derivative instruments, and gain on settlement of legal claim; 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 has been provided in the “Non-IFRS Financial Measures” section of this MD&A.

Date of MD&A – January 13, 2026

GLOBAL EDUCATION COMMUNITIES CORP.
MANAGEMENT’S DISCUSSION & ANALYSIS
FOR THREE MONTHS ENDED NOVEMBER 30, 2025 AND NOVEMBER 30, 2024

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. The Company's common shares trade on the Toronto Stock Exchange under the trading symbol ‘GEC’ and on the OTCQB under the symbol ‘GECSEF’.

The Company owns business and language colleges, student-centric rental apartments, recruitment centres and has corporate offices in Canada and abroad. It offers educational programs in business management, customer service, digital marketing, and language training via its education subsidiaries. Its real estate business provides rental housing and accommodation services to 95 schools in Metro Vancouver, serving domestic and international students from 79 countries. In Fiscal 2025, the Company provided educational and housing services to over 12,500 students. The Company controls and is an investor in limited partnerships that own a network of serviced apartments. Certain subsidiaries of the Company act as general partners and/or managers of these limited partnerships. The Company also has joint control over limited partnerships that own and develop investment properties under construction.

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 for domestic and international students in Metro Vancouver
SSLC College Inc (“ SSLC ”)	Includes SSLC Business College (formerly Vancouver International College). SSLC is an 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 ”)	College program provider offering automotive technical training, English teacher preparation, English as Second Language, and accounting programs in Asia
IRIX Design Group Inc. (“ IRIX ”)	Design and advertising company which mainly services the real estate and the retail consumer industries

The Company's primary business units consist of three categories with Corporate (head office) as the supporting hub: *Student housing properties*: GECH; *Education*: SSLC, GEA, and CIBT; and *Media*: IRIX.

Except for GEC® Viva and GEC® Kingsway, which are investment properties under long term leases, and GEC® Oakridge and GEC® EMC, which the Company jointly controls with third party partners, the Company’s subsidiaries hold equity in and control the limited partnerships that beneficially own the properties comprising the Company’s student housing portfolio.

During the year ended August 31, 2025, a strategic decision was made by the Company to concentrate its efforts on the development, construction, and operation of its GEC® student housing portfolio. This strategic shift will enable the Company to capitalize on its position as the largest off-campus student housing provider in British Columbia. On August 7, 2025, the Company completed the divestment of the Sprott Shaw College Corp. (“**SSCC**”) business unit. In accordance with the IFRS Accounting Standards, SSCC's financial results have been classified as discontinued operations.

FIRST QUARTER HIGHLIGHTS

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, the limited partnership that holds Project 9 (“**GEC LP9**”), in which the Company holds an ownership interest, 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 and the Company has recognized accrued interest of \$6,000 as at November 30, 2025 (August 31, 2025 - \$6,000).

Numerous project milestones were missed and on April 1, 2022, the developer and its partners (collectively, the “**Developer**”) applied for and was granted an initial order to commence proceedings under the Canadian Companies’ Creditor Arrangement Act (the CCAA) to restructure its business. Under the CCAA proceedings, the Developer under the supervision of the Supreme Court of British Columbia was to determine whether the project would be restructured or sold.

At November 30, 2025, 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. GEC LP9 has recognized an expected credit loss provision related to the \$20,000 receivable (plus \$6,000 of accrued interest) due from the developer of \$22,700, and an impairment loss of \$40,000 related to the \$40,000 deposit during the year ended August 31, 2022. At November 30, 2025, net development assets associated with GEC LP9 was \$3,300 (August 31, 2025 - \$3,300).

On October 6, 2022, GEC LP9 and its general partner filed a notice of civil claim with the Supreme 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, GEC LP9 could receive some or all of the amounts for which a provision or impairment loss have previously been recognized. The liability portion of the trial completed in May 2024. On August 7, 2024, the Supreme Court dismissed the claims of GEC LP9 and its general partner and allowed the mortgage lender’s counterclaim against them with damages to be assessed (the “**Trial Decision**”). GEC LP9 and its general partner appealed the Trial Decision to the BC Court of Appeal. By means of a decision dated September 22, 2025, the BC Court of Appeal allowed the appeal in part and remitted certain questions back to the BC Supreme Court. Also, on or about November 21, 2025, the mortgage lender applied for leave to the Supreme Court of Canada, seeking to overturn portions of the BC Court of Appeal decision. Proceedings in both the BC Court of Appeal and Supreme Court of Canada Appeal remain on-going at this time.

Borrowings

During Q1 2026, limited partnerships controlled by the Company repaid \$23,860 in existing secured mortgages and received \$24,663 of advances from secured mortgages.

During Q1 2026, the Bank of Canada policy interest rate decreased from 2.50% to 2.25%. The Bank of Canada has suggested that if the inflation rate stays in line with current expectations of approximately 2%, the central bank will hold its policy interest rate at the current level. However, the possibility exists that the policy interest rate will be adjusted given the uncertainty around future economic conditions. See Note 23(c) of the Annual Financial Statements for additional information on interest rate risk.

REVIEW OF FIRST QUARTER FINANCIAL RESULTS

The tables below provide key financial performance of each main business unit of the Company for Q1 2026 compared to Q1 2025. Information by business segment is presented in Note 16 to the Q1 2026 Financial Statements. This information should be read in conjunction with the Q1 2026 Financial Statements.

	Q1 2026	Q1 2025	\$ Change	% Change ⁽²⁾
Total revenues	\$ 7,616	\$ 7,495	\$ 121	2%
Gross margin ⁽¹⁾	63%	60%	3%	
Rental revenues – GECH	\$ 5,138	\$ 4,507	\$ 631	14%
Gross margin – GECH	76%	73%	3%	
Development fees – GECH and Corporate	\$ 385	\$ -	\$ 385	-
Educational revenues – SSLC / VIC	\$ 1,349	\$ 1,984	\$ (635)	(32)%
Gross margin – SSLC / VIC	23%	33%	(10)%	
Educational revenues – CIBT	\$ 426	\$ 508	\$ (82)	(16)%
Gross margin – CIBT	28%	48%	(20)%	
Commissions and referral fees – GEA	\$ 294	\$ 310	\$ (16)	(5)%
Gross margin – GEA	8%	62%	(54)%	
Design and advertising revenues – IRIX	\$ 24	\$ 186	\$ (162)	(87)%
Gross margin – IRIX	75%	70%	5%	
Gross profit ⁽¹⁾	\$ 4,816	\$ 4,531	\$ 285	6%
Other operating costs	\$ (2,513)	\$ (4,460)	\$ 1,947	44%
Finance costs	(2,746)	(3,211)	465	14%
Net loss on investment property fair value changes	(1,052)	(2,646)	1,594	60%
Share of net loss related to investment in joint venture	(35)	-	(35)	-
Other income (loss), net	2,079	(132)	2,211	1,675%
Income (loss) before income taxes	\$ 549	\$ (5,918)	\$ 6,467	109%
Income tax recovery	196	774	(578)	(75)%
Net income (loss) for the year from continuing operations	\$ 745	\$ (5,144)	\$ 5,889	114%
Net loss attributable to GECC shareholders	\$ (54)	\$ (2,159)	\$ 2,105	97%
Net loss per share to shareholders				
Basic	\$ (0.00)	\$ (0.03)	\$ 0.03	97%
Diluted	\$ (0.00)	\$ (0.03)	\$ 0.03	97%
Net loss per share to shareholders - continuing operations				
Basic	\$ (0.00)	\$ (0.03)	\$ 0.03	97%
Diluted	\$ (0.00)	\$ (0.03)	\$ 0.03	97%
EBITDA - continuing operations [Non-IFRS] ⁽¹⁾	\$ 3,259	\$ (2,413)	\$ 5,672	235%
Adjusted EBITDA - continuing operations [Non-IFRS] ⁽¹⁾	\$ 2,529	\$ 282	\$ 2,247	797%
Total assets	\$ 377,666	\$ 442,957	\$ (65,291)	(15)%
Total non-current financial liabilities	\$ 163,985	\$ 110,964	\$ 53,021	(48)%

(1) See the section titled “Non-IFRS Financial Measures” for more information on each non-IFRS specified financial measure.

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

Operating results

Real estate and student housing

- Rental revenues increased by \$631 in Q1 2026 due to a full period of operations for GEC® Kingsway which gradually increased occupancy as it ramped up operations in Q1 2025, and a full period of operations for GEC® VIVA which completed renovations in Q4 2024 and gradually ramped up occupancy in Q1 2025.

Development fees

- In Q1 2026, the Company recognized \$385 of development fees associated with the development of its real estate projects. As noted below in section “Quarterly Financial Review”, development fees recognition is dependent on the status of real estate projects, and the amount and timing vary from period to period.

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 November 30, 2025 were \$1,056 (August 31, 2025 - \$3,099) 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 decreased by \$717 in Q1 2026 when compared to the respective prior period.

- Revenues and gross margin for SSLC decreased in Q1 2026 compared to Q1 2025 as student enrollment continues to slow in the most recent quarters. In 2024, the Federal government announced amendments to its study permit policies which caused a slowdown of incoming international students. The new policies caused immediate confusion in the marketplace with some of SSLC’s overseas agents re-directing student pipelines to other countries. While the Federal government subsequently clarified its new policies, student enrollment has not recovered. The Company continues to observe a reduced number of provincial attestation letters issued to international students, other than master's and graduate students, which is now mandatory when applying for Canadian study permits.
- Revenues for CIBT decreased in Q1 2026 when compared to Q1 2025 due to lower student enrollment.

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

- General and administrative expenses decreased by \$1,790 in Q1 2026 compared to Q1 2025 due to lower professional fees associated with legal and corporate development activities. The Company also continues its cost reduction efforts, which has resulted in decreases coming from salaries and benefits, rent and general office expenditures.

Finance costs

Finance costs include interest expense on borrowings, finance fees (including accretion of finance fees and other), accretion of lease liabilities, debt modification gains and losses and changes in fair value of embedded derivatives. Total finance costs decreased by \$465 in Q1 2026 compared to Q1 2025 as a result of the following:

- Total interest expense, which includes interest on borrowings, accretion of finance fees and accretion of lease liabilities, decreased by \$2,248 in Q1 2026 compared to Q1 2025. The decrease was the result of lower borrowings following the derecognition of secured loans associated with GEC® Oakridge and GEC® EMC, and lower interest rates on borrowings.

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

- The fair value of the investment properties held by the Company decreased by \$1,052 in Q1 2026. This relates to fair value losses associated with the GEC® Viva and GEC® Kingsway right-of-use assets classified as investment properties which are 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 each lease continue to decline as a function of time, that there will be a fair value loss each reporting period until the end of each lease which will reduce the applicable right-of-use asset to zero.

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.

Continuing operations	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Total revenues	7,616	8,447	6,248	6,847	7,495	8,471	7,120	7,894
Net income (loss)	745	(26,055)	508	(1,561)	(5,144)	(25,325)	(2,842)	(2,676)
Adjusted EBITDA ⁽¹⁾	2,529	(3,889)	2,785	2,061	331	422	402	2,169
Net income (loss) - GECC shareholders	(54)	(11,003)	(970)	228	(2,314)	(11,851)	(371)	(1,190)
Income (loss) per share - GECC shareholders – basic and diluted	(0.00)	(0.19)	(0.00)	0.01	(0.03)	(0.03)	0.00	(0.02)

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

Total revenues consist of: (a) rental revenues; (b) development fees; (c) educational revenues; and (d) revenues from other lines of business. Net income (loss) fluctuates based on changes in gross 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.

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.

Given the low rental vacancy rate in Vancouver, the Company's rental revenues are generally consistent throughout the year. 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.

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. 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. Development fees in Q1 2026 was \$385 compared to \$Nil in each quarter of Fiscal 2025.

FINANCIAL CONDITION

The following table compares selected financial position information as at November 30, 2025 and August 31, 2025:

	November 30, 2025	August 31, 2025	\$ Change	% Change ¹
Total current assets	\$ 26,052	\$ 26,621	\$ (569)	(2)%
Investment properties	\$ 307,275	\$ 306,494	\$ 781	0%
Development assets	\$ 869	\$ 869	\$ -	-
Other non-current assets	\$ 43,470	\$ 43,372	\$ 98	0%
Total assets	\$ 377,666	\$ 377,356	\$ 310	0%
Total current liabilities	\$ 58,147	\$ 75,346	\$ (17,199)	(23)%
Total non-current liabilities	\$ 172,983	\$ 157,266	\$ 15,717	10%
Total liabilities	\$ 231,130	\$ 232,612	\$ (1,482)	(1)%
Equity – GECC shareholders	\$ 47,827	\$ 47,958	\$ (131)	(0)%
Non-controlling interests	\$ 98,709	\$ 96,786	\$ 1,923	2%
Total equity	\$ 146,536	\$ 144,744	\$ 1,792	1%
Working capital deficit – see below	\$ (32,095)	\$ (48,725)	\$ 16,630	34%
Net debt ⁽²⁾	\$ 182,303	\$ 179,911	\$ 2,392	1%

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

(2) Total borrowings less cash and cash equivalents.

LIQUIDITY AND CAPITAL RESOURCES

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 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, refinancing current loans on reasonable terms, and where necessary liquidating assets and reducing/delaying real estimate project development costs.

As has been the case for the last several years, the Company continues to have a working capital deficit, which was \$32,095 at November 30, 2025 (August 31, 2025 - \$48,725). 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 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.

Investment properties tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the Company's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Company were required to liquidate a real property investment, the proceeds to the Company might be significantly less than the aggregate carrying value of such property.

The change in GECC's working capital deficit during Q1 2026 is predominantly driven by a decrease in current portion of borrowings due to renewals of several secured loans and the amended maturity date of one convertible. 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 2026 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.

Contractual obligations

In the normal course of business, the Company enters into 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 November 30, 2025:

	Less than one year	2-3 years	4-5 years	Over 5 years	Total
<i>Financial Liabilities</i>					
Trade and other payables	\$ 14,422	\$ -	\$ -	\$ -	\$ 14,422
Secured loans ⁽¹⁾	52,777	17,849	48,182	88,403	207,211
Lease payments ⁽²⁾	7,039	14,117	5,202	2,542	28,900
2019, 2020, and 2024 Debentures	2,522	6,197	-	-	8,719
Other loans	3,308	6,334	248	177	10,067
Total	\$ 80,068	\$ 44,497	\$ 53,632	\$ 91,122	\$ 269,319
<i>Other Commitments</i>					
Income taxes payable	197	-	-	-	197
Total Financial Liabilities and Commitments	\$ 80,265	\$ 44,497	\$ 53,632	\$ 91,122	\$ 269,516

⁽¹⁾ Interest reserves of \$10 exist to offset future interest payments on certain borrowings.

⁽²⁾ Includes lease payments recognized as lease liabilities, estimated variable lease payments and short term lease payments.

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.

	Q1 2026	Q1 2025
Cash flows provided by (used in) operating activities from continuing operations	\$ 707	\$ (1,629)
Cash flows provided by (used in) investing activities from continuing operations	(1,643)	1,100
Cash flows used in financing activities from continuing operations	(615)	(1,101)
Cash flows provided by discontinued operations	-	1,968
Effects of exchange rate changes on cash and cash equivalents	(33)	(8)
Increase (decrease) in cash and cash equivalents	\$ (1,584)	\$ 330
Cash and cash equivalents, beginning of period	3,299	2,132
Cash and cash equivalents, end of period	\$ 1,715	\$ 2,462

Cash flows provided by (used in) 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 provided by (used in) investing activities vary depending on the nature of transactions during a period, in particular investments in real estate projects. During Q1 2026, the Company invested \$720 in investment properties and \$1,111 of capitalized borrowing costs primarily associated with the GEC® Langara, GEC® Marine Gateway and GEC® Cyber City projects.

Cash flows used in financing activities vary depending on the borrowing transactions, non-controlling interest contributions and distributions, and the Company's treasury share buyback activity. Note 13(b) to the Q1 2026 Financial Statements provides additional detail of the change in borrowings including cash and non-cash related items for Q1 2026 and Q1 2025.

Outstanding share data

The authorized capital consists of 150,000,000 common shares without par value. As at the date of this MD&A, the following common shares, stock options, and convertible debenture conversion options were outstanding:

	Number of shares	Exercise or conversion price	Remaining life (years)
Common shares	68,420,540	-	-
Stock options	4,050,000	\$0.22 - \$0.53	3.07
Convertible debentures ⁽¹⁾	3,466,771	\$0.36 - \$0.81	0.59
Fully diluted	75,937,311		

(1) Includes convertible debentures issued in February 2020 and September 2024.

Treasury shares

In August 2025, the Company received approval from the Toronto Stock Exchange to commence a new normal course issuer bid (the 2025 NCIB) to purchase up to 4,000,000 of the Company's previously issued common shares, subject to daily limits, from August 13, 2025 to August 12, 2026, to a maximum aggregate acquisition cost of approximately \$1,000. As of the date of this MD&A, the Company has repurchased 364,500 previously issued common shares at a cost of \$143 under the 2025 NCIB, of which 319,500 have been cancelled, leaving 45,000 common shares held in treasury.

Financial Instruments and Financial Risk Management

A description of the Company's financial instruments and financial risks to which 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, Paul Harman, its chief financial officer, and the Company's directors.

	Q1 2026	Q1 2025
Management fees, salary, director's fees	\$ 208	\$ 184
Share-based payments	32	32
Total key management personnel compensation	\$ 240	\$ 216

The amounts due to related parties are presented below.

	November 30, 2025	August 31, 2025
Due to officers and directors of the Company ⁽¹⁾	\$ 1,800	\$ 1,913
Due to the president of IRIX ⁽²⁾	165	170
Due to related parties	\$ 1,965	\$ 2,083

(1) Amounts due are non-interest bearing and have no fixed terms of repayment.

(2) Amounts due to this related party have no fixed terms of repayment and bear interest at a rate of 6% per annum.

At November 30, 2025, \$140 of the convertible debentures issued in 2024 are held by officers and directors of the Company (August 31, 2025 - \$140).

At November 30, 2025, the Company recorded a \$7,750 (August 31, 2025 - \$7,750) non-interest bearing, due on demand note receivable and a \$7,866 (August 31, 2025 - \$7,951) secured loan receivable from Pure GECC Holding 1 Limited Partnership. The secured loan receivable was acquired by the Company in August 2025 from an arms-length third party for cash proceeds of \$7,750. The secured loan matures in March 2026 and bears a prime-linked interest rate of 15.5% as at November 30, 2025. During Q1 2026, the Company recognized \$215 of interest income compared to \$Nil in Q1 2025 associated with the secured loan receivable in the consolidated statement of income (loss) and comprehensive income (loss).

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 Q1 2026 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: net gain (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, the net gain or loss recognized on fair value changes in embedded derivatives associated with certain financial liabilities, and gain from legal settlement.

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).

	<u>Q1 2026</u>	<u>Q1 2025</u>
Net income (loss) – continuing operations	745	(5,144)
Deduct: interest income	(215)	-
Deduct: income tax recovery	(196)	(774)
Add: interest expense	2,778	3,337
Add: depreciation and amortization	147	168
EBITDA [non-IFRS]	3,259	(2,413)
Add loss/deduct (gain) on net changes in fair value of investment properties	1,052	2,646
Add loss/deduct (gain) on embedded derivatives, net ⁽¹⁾	(32)	49
Deduct: gain from legal settlement ⁽²⁾	(1,750)	-
Adjusted EBITDA [non-IFRS]	2,529	282

(1) Included in Finance costs within Note 11 to the Q1 2026 Financial Statements.

(2) In October 2025, the Company resolved a legal matter related to a construction deficiency at a property acquired by the Company. Under the terms of the settlement agreement, the counterparty agreed to pay the Company \$1,750.

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 16 to the Q1 2026 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 its consolidated group, and its subsidiaries and are prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting as issued by the IASB. Certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards 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 Finance Statements. The accounting policies applied in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in Note 28 of the Company's Annual Financial Statements.

USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the preparation of the unaudited condensed consolidated interim financial statements and the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities and disclosure of contingent liabilities at the dates of the unaudited condensed consolidated interim financial statements and the reported amounts of revenues and expenses during each reporting period. The estimates and associated assumptions are limited by the relevance of historical data and uncertainty of future events, and are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods. Actual results could differ from those estimates.

Critical judgements and estimates made by management in applying the Company's accounting policies including significant areas of estimation uncertainty were the same as those applied and disclosed in Note 3 to the Company's Annual Financial Statements.

ACCOUNTING STANDARDS DEVELOPMENT

Certain new accounting standards, amendments to accounting standards, and interpretations have been issued by the IASB that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the year of adoption as described in Note 2 to the Company's Q1 2026 Financial Statements and Note 4(b) to the Company's Annual Financial Statements.

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.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions as at the date of this MD&A 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 three months ended November 30, 2025 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 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 2025 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 certain of the limited partnerships which own GEC® real estate projects 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 lead to supply chain interruptions
- 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
- government policies relating to education that may affect international 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