

**Global Education Communities Corp.**  
(TSX: GEC)

**BUY**

Current Price: \$0.34

Fair Value: \$0.95

Risk\*: 3

**Rental Strength Drives EPS Beat; Structural Housing Tailwinds**

**Sector: Student Housing**

[Click here for more research on the company](#)

**Highlights**

- **Mixed Top Line, EPS Beat:** Q2 (ended February 2026) revenue increased 1% YoY, 4% below our estimate, driven by 10% growth in the flagship rental segment, partially offset by weaker non-core revenue. Growth was supported by contributions from recently completed projects.
- **Earnings Expansion:** EPS improved YoY, from (\$0.02) to \$0.04, beating our estimate by 15%, driven by higher gross margins (68.3%, +2.7pp YoY), and lower interest expenses.
- **Transition to Pure-Play Student Housing:** During the quarter, GEC sold its remaining Canadian educational assets for \$2M, completing its transition into a pure-play student housing operator. While this divestment aligns with the company's strategy of focusing on developing student housing properties, we were slightly disappointed with the sale price, which was below our prior valuation of \$8M. GEC operates B.C.'s largest off-campus student housing platform, comprising 14 buildings, with eight currently operating, and six under development.
- **Enhanced Reporting Structure:** Starting in Q3-FY2026, GEC will implement segment reporting to separate core rental operations from its development pipeline. We view this as a positive step, enhancing transparency between recurring income, and development projects, and improving segment-level valuation clarity.
- **Policy Headwinds, Structural Support in Vancouver Housing:** Federal reductions in international student permits, tighter immigration caps, and stricter work permit rules are expected to moderate rental demand across Canada by limiting temporary resident inflows. However, Vancouver remains relatively insulated due to structural housing undersupply, and low vacancy in purpose-built rental, and student housing. GEC is further supported by its diversified tenant base, with roughly 40–50% domestic students, which reduces reliance on international students.
- **Gradual Recovery Amid Tight Supply:** After a soft 2025, we expect Vancouver rents to stabilize and gradually rise through 2026–2027, supported by low vacancy, constrained supply, and high replacement costs, partially offset by reduced international student inflows. We believe improving rental income, and lower interest rates, will support gradual upward pressure on GEC's property values.
- **Relative Valuation:** GEC trades at 14x forward EBITDA vs 18x for the REIT sector, representing a 26% discount.

**Sid Rajeev, B.Tech, MBA, CFA**  
Head of Research

**Price and Volume (1-year)**



	YTD	12M
GEC	-12%	82%
TSX	8%	42%
Index (REIT)	9%	17%

**Company Data**

52 Week Range	\$0.16 – \$0.48
Shares O/S	69M
Market Cap.	C\$23M
Yield (forward)	N/A
P/E (forward)	N/A
P/B	0.5x



Key Financial Data (in C\$); YE - Aug 31	2023	FY2024	FY2025	Post divestiture of education assets	
				FY2026E	FY2027E
Revenue	\$78,603,000	\$35,235,000	\$29,037,000	\$22,323,470	\$24,339,156
Adj. EBITDA	\$12,145,000	\$5,991,000	\$1,288,000	\$7,511,358	\$9,011,345
Net Income	-\$3,909,000	-\$21,273,000	\$3,997,000	-\$3,842,408	-\$3,148,408
EPS	-\$0.06	-\$0.31	\$0.06	-\$0.06	-\$0.05
Assets	\$497,682,000	\$475,211,000	\$377,356,000	\$480,986,171	\$620,325,929
Debt to Capital	62.3%	63.9%	55.9%	62.2%	66.5%

\* Global Education Communities has paid FRC a fee for research coverage and distribution of reports. See last page for other important disclosures, rating, and risk definitions. All figures in C\$ unless otherwise specified.

**FRC ANALYSTS' TOP PICKS**

Our analysts' highest-conviction stock ideas. Companies with strong potential for benchmark outperformance, supported by detailed research and proprietary fair value analysis.



## Student Housing Portfolio Overview

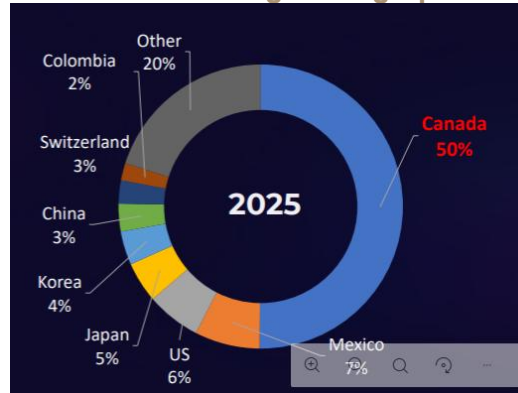
GEC operates B.C.'s largest off-campus student housing platform, comprising 14 buildings, eight currently operating and six under development

<p><b>Extensive Footprint</b></p> <p>14 buildings - 8 operational - 6 in the pipeline</p>	<p><b>Growing Capacity</b></p> <p>4,046 beds total - 1,300 operational - 2,746 in the pipeline</p>	<p><b>Educational Partnerships</b></p> <p>95 partner schools Over 60% of Vancouver colleges, universities, and language schools partnered with GEC for their housing needs</p>
---	--	--



Rental assets offer inflation-protected income, with low volatility, making them attractive to pension funds and institutions

## Student Housing Demographics



GEC provides housing services to 95 colleges and universities across Vancouver, serving over 3,400 students from 79 countries annually.



Per Q2 financial statements, GEC projects were appraised at \$310M, up 1% QoQ

- Public schools
- Private schools
- ESL schools
- Educational agencies
- Relocation companies
- Rental platforms
- Trusted local vendors
- ...And more!

Source: Company

### FRC ANALYSTS' TOP PICKS

Our analysts' highest-conviction stock ideas. Companies with strong potential for benchmark outperformance, supported by detailed research and proprietary fair value analysis.

EXPLORE THIS FEATURE





Several major **Canadian REITs** have recorded **property write-downs** over the past 12 months, largely due to softer market rents, and valuation pressures. With rents and property values expected to recover modestly in 2026, we believe **GEC is well positioned to report valuation gains**. These gains should be further supported, as ongoing development projects reach completion.

### Operating Projects

*Eight operating buildings across six projects (1,232 beds)*

*GEC holds minority interests, and acts as project operator across all properties*



GEC Viva Tower



GEC Burnaby Heights



GEC Kingsway



GEC Granville



GEC Pearson – North Tower



GEC Pearson – South Tower



GEC King Edward



GEC Marine Gateway – North Tower



GEC Marine Gateway – South Tower

Source: Company





Operating Projects	1	2	3 & 4	5 & 6	7	8	Total
Name	GEC Viva	GEC Burnaby Heights	GEC Pearson (North and South Towers)	GEC Marine Gateway (North and South Towers)	GEC King Edward	GEC Kingsway	
Operating Since	2015	2016	2014	2020	2023	2024	
GEC Ownership	0% (Exited in 2018 & lease back)	25.0%	38.5%	20.0%	18.5%	0% (Master Lease)	
Beds	220	100	310	116	202	284	1,232
Approx. Annual Revenue (\$M)	\$3.34	\$1.52	\$4.70	\$1.76	\$3.06	\$4.31	\$18.69
Approx. NOI (\$M)	\$2.42	\$1.10	\$3.41	\$1.28	\$2.22	\$3.12	\$13.55
NOI per Bed	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000
Valuation (\$M) - FRC Estimates		\$27.50	\$85.25	\$31.90	\$55.55		\$200.20
Estimated Cap Rate		4.0%	4.0%	4.0%	4.0%		

Potential to generate \$14M in NOI, or \$11k/bed in NOI per year



Development Projects	1	2	3	4	Total
Name	GEC Oakridge	GEC EMC	GEC Langara	GEC Cyber City	
GEC Ownership	13.1%	16.7%	20.0%	35.8%	
Beds	548	1,380	650	410	2,988
Approx. Annual Revenue (\$M)	\$9.45	\$25.88	\$13.00	\$8.79	\$57.11
Approx. NOI (\$M)	\$8.22	\$20.70	\$9.75	\$6.15	\$44.82
NOI per Bed	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Construction/Development Costs (\$M) - GEC Estimates	\$140.00	\$340.00	\$140.00	\$225.00	\$845.00
Valuation Upon Completion (\$M) - FRC Estimates	\$205.50	\$517.50	\$243.75	\$153.75	\$1,120.50
Estimated Cap Rate	4.0%	4.0%	4.0%	4.0%	
Anticipated Completion Year	2027 (progressing on schedule)	2029 (construction starting in 2026)	2028 (construction starting in 2026)	2029-2030	

Developing six buildings across four projects (2,988 beds)

We are projecting \$45M in NOI, or \$15k/bed per year

At a 4% cap rate, we value these projects at \$1.12B upon completion, unchanged from our report in January 2026

Target completion is 2027–2030; we note that real estate development projects are often subject to permitting/financing delays

Source: Company/FRC



20+ Years of Equity Research  
www.researchfrc.com

FRC ANALYSTS' TOP PICKS

Our analysts' highest-conviction stock ideas. Companies with strong potential for benchmark outperformance, supported by detailed research and proprietary fair value analysis.

EXPLORE THIS FEATURE



\*past performance is not indicative of future results. Data as of 3/2/2026. Companies on the list have paid FRC for research coverage but list inclusion is merit based.

## Financials



C\$ (YE Aug 31st)	Q2-2025	Q2-2026	YoY	2025 (6M)	2026 (6M)	YoY
<b>Educational</b>						
Revenues	\$462,000	\$471,000	2%	\$970,000	\$896,000	-8%
COGS	\$264,000	\$280,000		\$528,000	\$529,000	
Gross Margins	43%	41%		46%	41%	
<b>CIBT China + Referrals</b>						
Revenues	\$345,000	\$1,000	-100%	655,000	295,000	-55%
COGS	\$143,000	-		262,000	271,000	
Gross Margins	59%	100%		60%	8%	
<b>IRIX</b>						
Revenues	\$90,000	\$50,000	-44%	\$276,000	\$74,000	-73%
COGS	\$22,000	\$11,000		\$76,000	\$17,000	
Gross Margins	76%	78%		72%	77%	
<b>Global Education City</b>						
Revenues	\$4,101,000	\$4,514,000	10%	\$8,608,000	\$9,652,000	12%
COGS	\$1,292,000	\$1,305,000		\$2,499,000	\$2,538,000	
Gross Margins	68%	71%		71%	74%	
<b>Global Education City</b>						
Development fees	-	-	n/a	-	\$386,000	n/a
Gross Margins	-	-		-	-	
<b>Overall Revenues</b>	<b>4,998,000</b>	<b>5,036,000</b>	<b>1%</b>	<b>10,509,000</b>	<b>11,303,000</b>	<b>8%</b>
<b>Overall Gross Margins</b>	<b>65.57%</b>	<b>68.31%</b>		<b>67.98%</b>	<b>70.32%</b>	

Q2 revenue rose 1% YoY, missing our estimate by 4%, driven by 10% growth in the flagship rental business, partially offset by weaker revenue from non-core divisions

Rental revenue, which made up 90% of total revenue (Q2 2025: 82%), grew with contributions from recently completed projects

Gross margins rose 2.7 pp to 68.3%, beating our estimate by 2.1 pp, driven by higher rental business margins

G&A expenses rose 39% YoY, primarily due to elevated one-time professional fees from recent divestments, driving a 13% YoY decline in adjusted EBITDA, missing our estimate by 2%

However, EPS improved YoY from (\$0.02) to \$0.04, beating our estimate by 15%, driven by lower interest rates on debt

Margins	Q2-2025	Q2-2026	2025 (6M)	2026 (6M)
Gross	65.6%	68.3%	68.0%	70.3%
EBITDA	30.4%	19.8%	22.1%	32.8%
EBIT	29.5%	19.1%	21.3%	32.1%
Net	-29.7%	8.5%	-58.2%	12.7%

C\$	Q2-2025	Q2-2026	YoY	2025 (6M)	2026 (6M)	YoY
Revenue	\$4,998,000	\$5,036,000	1%	\$10,509,000	\$11,303,000	8%
EBITDA (FRC estimates)	\$1,519,000	\$998,000	-34%	\$2,325,000	\$3,709,000	60%
Adj. EBITDA (GEC estimates)	\$1,616,000	\$1,404,000	-13%	\$2,290,000	\$4,143,000	81%
Net Income	-\$1,277,000	\$2,672,000	n/a	-\$6,217,000	\$3,417,000	n/a
EPS	-\$0.02	\$0.04	n/a	-\$0.09	\$0.05	n/a

Summary of Cash Flows	2025 (6M)	2026 (6M)	YoY
Operating	\$98,000	\$1,425,000	1354%
Investing	\$637,000	-\$1,974,000	n/a
Financing	-\$1,712,000	-\$1,321,000	-23%
Effects of Exchange Rate	-\$20,000	-\$45,000	125%
<b>Net</b>	<b>-\$997,000</b>	<b>-\$1,915,000</b>	<b>92%</b>
<b>Free Cash Flows to Firm (FCF)</b>	<b>\$735,000</b>	<b>-\$549,000</b>	<b>n/a</b>

Source: FRC / Company



Debt-to-capital remained above the sector average (56% vs. 46%), but this is expected to improve once development projects are completed



Liquidity & Capital Structure	2024A	2025A	Q1-2026	Q2-2026
<b>(C\$) - YE Aug 31st</b>				
Cash + Restricted Cash	\$2,132,000	\$3,299,000	\$1,715,000	\$1,384,000
Working Capital	-\$17,841,000	\$3,864,000	\$4,400,000	\$4,011,000
Current Ratio	0.58	1.17	1.20	1.20
Long Term Debt	166,970,000	130,621,000	147,523,000	125,545,000
Total debt	250,956,000	183,210,000	184,018,000	185,565,000
Long Term Debt/Capital	42.50%	39.83%	44.63%	37.55%
Total Debt/Capital	63.87%	55.86%	55.67%	55.50%
EBIT Interest Coverage	0.3	0.2	0.8	0.4

Source: FRC / Company

### Sector Multiples and Ratios



Student Housing/REITS					
Company	EV C\$M	EV/ Rev	EV/ EBITDA	Gross Margin	Debt to Capital
Canadian Apartment Properties REIT	\$11,698	11.70	19.30	60%	41%
Boardwalk REIT	\$6,952	10.43	18.16	65%	44%
Xior Student Housing	\$4,671	14.87	19.07	72%	47%
Killam Apartment REIT	\$4,376	11.09	18.00	67%	43%
InterRent REIT	\$3,558	14.11	23.19	66%	43%
Morguard North American Residential	\$2,683	7.54	16.11	54%	50%
BSR REIT	\$1,619	8.57	19.40	50%	57%
Global Education Communities	\$307	10.14	13.57	68%	55%
<b>Average</b>		<b>12.44</b>	<b>18.34</b>	<b>62%</b>	<b>46%</b>

Source: S&P Capital IQ, FRC

GEC is trading at 10x forward revenue vs 12x for the REIT sector, and 14x forward EBITDA (sector: 18x), a **22% discount on average**



(in \$), YE - Aug 31	FY2026E (Old)	FY2026E (Old)-Adj.	FY2026E (New)
Revenue	\$30,656,620	\$23,168,100	\$22,323,470
EBITDA	\$7,039,057	\$7,623,910	\$7,511,358
Net Income	-\$5,073,644	-\$4,488,791	-\$3,842,408
EPS	-\$0.07	-\$0.07	-\$0.06
(in \$), YE - Aug 31	FY2027E (Old)	FY2027E (Old)-Adj.	FY2027E (New)
Revenue	\$33,835,123	\$25,199,067	\$24,339,156
EBITDA	\$9,053,728	\$9,055,883	\$9,011,345
Net Income	-\$4,388,550	-\$4,386,395	-\$3,148,408
EPS	-\$0.06	-\$0.06	-\$0.05

\* Adjusted to reflect the recent divestiture of the remaining Canadian educational assets

Source: FRC

We are raising our EPS estimates, driven largely by lower than expected interest expense reported in Q2, partially offset by the removal of contributions from the recently divested assets





Comparables Valuation (Student Housing) - Operating	
Projected Annual Revenue	\$18,692,414
(a) FV of GEC's Equity @ sector average multiples	\$22,915,809
Projected Annual Revenue	\$13,552,000
(b) FV of GEC's Equity @ sector average multiples	\$24,493,573
Fair Value @ 4% cap	\$200,200,000
(c) FV of GEC's Equity	\$19,729,383
<b>Average of (a), (b), and (c)</b>	<b>\$22,379,588</b>
<b>A) Value/Share</b>	<b>\$0.33</b>

Comparables Valuation (Student Housing) - Development	
Projected Annual Revenue	\$57,108,990
(a) FV of GEC's Equity @ sector average multiples, net of GEC' costs	\$29,268,735
Projected Annual EBITDA	\$44,820,000
(b) FV of GEC's Equity @ sector average multiples, net of GEC' costs	\$36,834,568
Fair Value @ 4% cap	\$1,120,500,000
(c) FV of GEC's Equity	\$57,077,940
<b>Average of (a), (b), and (c)</b>	<b>\$41,060,414</b>
<b>B) Value/Share</b>	<b>\$0.60</b>

Comparables Valuation (Student Housing)	Fair Value
Operating + Development Projects (A + B)	\$63,440,003
<b>Value/Share (A + B)</b>	<b>\$0.92</b>

Non-Core Divisions	Fair Value
a) Discounted Cash Flow @ 10%	\$811,388
b) Comparables Valuation (EV / Revenue)	\$1,374,084
c) Comparables Valuation (EV / EBITDA)	\$731,490
<b>Average of (a), (b), and (c)</b>	<b>\$972,320</b>
<b>Value/Share</b>	<b>\$0.01</b>

Working Capital, net of Corporate Debt	\$916,000
<b>Fair Value Estimate</b>	<b>\$65,328,323</b>
<b>Value/Share</b>	<b>\$0.95</b>

Source: FRC

**We are reiterating our BUY rating, and adjusting our fair value estimate from \$1.11 to \$0.95/share.** GEC delivered mixed operating results, with an EPS beat, and margin expansion, offset by weaker non-core revenue, while strategically advancing its transition into a pure-play student housing platform. We remain constructive on the strong structural support from Vancouver housing fundamentals, with potential upside from tight supply conditions.

However, our fair value estimate declined from \$1.11 to \$0.95/share, reflecting the \$2M sale of divested assets, below our prior valuation of \$8M





## Risks

We believe the company is exposed to the following risks:

- Real estate development and financing
- **Potential for delays in project development and construction**
- Cost overruns
- Permitting
- Profitability is highly dependent on the health of the rental market in Vancouver
- **Vacancy and rental rate fluctuations**
- Leveraged balance sheet

*Maintaining our risk rating of 3 (Average)*

### FRC ANALYSTS' TOP PICKS

Our analysts' highest-conviction stock ideas. Companies with strong potential for benchmark outperformance, supported by detailed research and proprietary fair value analysis.

[EXPLORE THIS FEATURE](#)



## APPENDIX



### INCOME STATEMENTS (in C\$) - YE Aug 31st

	2023A	2024A	2025A	2026F	2027F
<b>REVENUE</b>					
Educational	55,421,000	\$14,633,000	\$10,109,000	\$896,000	-
Rental	21,130,000	\$17,250,000	\$17,101,000	\$19,153,120	\$22,026,088
Commissions + Referral Fees	1,153,000	\$1,305,000	\$1,465,000	\$575,250	\$604,013
Design and advertising IRIX	420,000	\$580,000	\$362,000	\$199,100	\$209,055
Development fees	479,000	\$1,467,000		\$1,500,000	\$1,500,000
<b>Total Revenues</b>	<b>78,603,000</b>	<b>\$35,235,000</b>	<b>\$29,037,000</b>	<b>\$22,323,470</b>	<b>\$24,339,156</b>
<b>DIRECT COSTS</b>					
Educational	26,598,000	\$8,836,000	\$6,075,000	\$813,749	\$298,986
Commissions + Referral Fees	485,000	\$608,000	\$675,000	\$232,976	\$244,625
Rental	7,883,000	\$5,710,000	\$4,991,000	\$4,979,811	\$5,726,783
Design and advertising IRIX	90,000	\$135,000	\$103,000	\$49,775	\$52,264
Development fees					
<b>Total Direct Costs</b>	<b>35,056,000</b>	<b>\$15,289,000</b>	<b>\$11,844,000</b>	<b>\$6,076,311</b>	<b>\$6,322,658</b>
<b>Gross Profit</b>	<b>43,547,000</b>	<b>\$19,946,000</b>	<b>\$17,193,000</b>	<b>\$16,247,159</b>	<b>\$18,016,498</b>
<b>EXPENSES</b>					
Stock-based compensation	100,000	\$134,000	\$157,000	\$120,701	\$131,599
General and administrative	31,002,000	\$14,915,000	\$13,254,000	\$8,615,100	\$8,873,553
<b>Total Expenses</b>	<b>31,102,000</b>	<b>\$15,049,000</b>	<b>\$13,411,000</b>	<b>\$8,735,801</b>	<b>\$9,005,152</b>
<b>EBITDA</b>	<b>12,445,000</b>	<b>\$4,897,000</b>	<b>\$3,782,000</b>	<b>\$7,511,358</b>	<b>\$9,011,345</b>
Amortization	3,782,000	\$727,000	\$639,000	\$228,000	\$239,400
<b>EBIT</b>	<b>8,663,000</b>	<b>\$4,170,000</b>	<b>\$3,143,000</b>	<b>\$7,283,358</b>	<b>\$8,771,945</b>
Interest / Finance Cost	(16,316,000)	-\$13,089,000	-\$12,752,000	-\$10,371,160	-\$10,504,325
Impairments					
Others	54,000	-\$15,681,000	-\$23,675,000		
<b>EBT</b>	<b>(7,599,000)</b>	<b>-\$24,600,000</b>	<b>-\$33,284,000</b>	<b>-\$3,087,802</b>	<b>-\$1,732,380</b>
Credit loss allowance/write-offs	(1,392,000)	-\$878,000	-\$1,059,000		
Gain on Change of Property FV	7,835,000			\$7,704,023	\$11,002,626
<b>Net Profit (Loss) before tax</b>	<b>(1,156,000)</b>	<b>-\$25,478,000</b>	<b>-\$34,343,000</b>	<b>\$4,616,221</b>	<b>\$9,270,246</b>
Taxes	(520,000)	-\$2,679,000	-\$2,140,000	-	-
<b>Net Profit (Loss)</b>	<b>(636,000)</b>	<b>-\$22,799,000</b>	<b>-\$32,203,000</b>	<b>\$4,616,221</b>	<b>\$9,270,246</b>
Non-controlling/Discontinued	(3,273,000)	\$1,526,000	\$36,200,000	-\$8,458,628	-\$12,418,654
<b>Net Profit (Loss) to CIBT</b>	<b>(3,909,000)</b>	<b>-\$21,273,000</b>	<b>\$3,997,000</b>	<b>-\$3,842,408</b>	<b>-\$3,148,408</b>
EPS	-0.06	-0.31	0.06	-0.06	-0.05

### FRC ANALYSTS' TOP PICKS

Our analysts' highest-conviction stock ideas. Companies with strong potential for benchmark outperformance, supported by detailed research and proprietary fair value analysis.

EXPLORE THIS  
FEATURE





**BALANCE SHEETS**

(in C\$) - YE Aug 31st

	2023A	2024A	2025A	2026F	2027F
<b>Total Current Assets</b>	<b>26,408,000</b>	<b>\$24,214,000</b>	<b>\$26,621,000</b>	<b>\$32,749,949</b>	<b>\$41,296,241</b>
Cash	3,392,000	\$2,132,000	\$3,299,000	\$8,331,249	\$15,726,006
Restricted cash	2,695,000	\$2,749,000	\$1,388,000	\$1,388,000	\$1,388,000
A/R	14,657,000	\$13,677,000	\$17,388,000	\$18,257,400	\$19,170,270
Prepays and other	1,399,000	\$1,423,000	\$1,149,000	\$1,206,450	\$1,266,773
Others	3,300,000	\$3,300,000	\$3,300,000	\$3,465,000	\$3,638,250
Inventory	965,000	\$933,000	\$97,000	\$101,850	\$106,943
PPE	67,856,000	\$14,648,000	\$3,168,000	\$2,965,200	\$2,756,040
Intangible Assets	12,108,000	\$11,506,000	\$24,000	\$24,000	\$24,000
Others	1,113,000	\$1,147,000	\$1,048,000	\$1,048,000	\$1,048,000
Future Income Tax	3,592,000	\$3,825,000	\$3,225,000	\$3,225,000	\$3,225,000
Cur. Dev. Costs & Other Assets	1,378,000	\$869,000	\$869,000	\$869,000	\$869,000
Investment property	385,227,000	\$419,002,000	\$342,401,000	\$440,105,023	\$571,107,648
<b>Total Assets</b>	<b>497,682,000</b>	<b>\$475,211,000</b>	<b>\$377,356,000</b>	<b>\$480,986,171</b>	<b>\$620,325,929</b>
<b>Total Current Liabilities</b>	<b>163,703,000</b>	<b>\$126,041,000</b>	<b>\$75,346,000</b>	<b>\$148,239,250</b>	<b>\$245,177,163</b>
Accounts payable and accrued liabilities	18,292,000	\$15,315,000	\$14,745,000	\$15,482,250	\$16,256,363
Deferred revenue	22,017,000	\$20,979,000	\$3,120,000	\$3,276,000	\$3,439,800
Lease obligation + provision	2,878,000	\$5,271,000	\$4,708,000	\$4,708,000	\$4,708,000
Income Tax Payable	446,000	\$490,000	\$184,000	\$184,000	\$184,000
Current portion of the long-term debt	120,070,000	\$83,986,000	\$52,589,000	\$124,589,000	\$220,589,000
Lease Obligation	9,643,000	\$31,072,000	\$17,729,000	\$17,729,000	\$17,729,000
Long-term Debt	149,809,000	\$166,970,000	\$130,621,000	\$143,121,000	\$158,121,000
Future Income Tax Liabilities	11,390,000	\$9,196,000	\$8,916,000	\$8,916,000	\$8,916,000
<b>Shareholders' Equity</b>					
Share capital	45,003,000	\$44,969,000	\$45,371,000	\$45,371,000	\$45,371,000
Contributed surplus	7,215,000	\$7,372,000	\$7,579,000	\$7,699,701	\$7,831,300
Accumulated Comprehensive loss	273,000	\$278,000	\$278,000	\$278,000	\$278,000
Non-controlling interests	139,151,000	\$116,724,000	\$96,786,000	\$118,744,628	\$149,163,283
Deficit	(28,505,000)	-\$27,411,000	-\$5,270,000	-\$9,112,408	-\$12,260,816
<b>Total SE</b>	<b>163,137,000</b>	<b>\$141,932,000</b>	<b>\$144,744,000</b>	<b>\$162,980,921</b>	<b>\$190,382,766</b>
<b>Total Liabilities and SE</b>	<b>497,682,000</b>	<b>\$475,211,000</b>	<b>\$377,356,000</b>	<b>\$480,986,171</b>	<b>\$620,325,929</b>

**FRC ANALYSTS' TOP PICKS**

Our analysts' highest-conviction stock ideas. Companies with strong potential for benchmark outperformance, supported by detailed research and proprietary fair value analysis.

EXPLORE THIS FEATURE



## CASH FLOWS

(in C\$) - YE Aug 31st

	2023A	2024A	2025A	2026F	2027F
<b>OPERATING ACTIVITIES</b>					
Net Profit (Loss) for the year	(636,000)	-\$22,799,000	-\$32,203,000	\$4,616,221	\$9,270,246
Adjusted for items not involving cash:					
- amortization	4,648,000	\$727,000	\$639,000	\$228,000	\$239,400
- stock-based compensation	100,000	\$134,000	\$157,000	\$120,701	\$131,599
-Others		\$5,150,000	\$2,954,000		
-gain on fair value changes/others	(7,835,000)	\$14,160,000	\$23,575,000	-\$7,704,023	-\$11,002,626
-finance fees	5,295,000	\$2,466,000	\$4,202,000		
<b>Funds From Operations</b>	<b>1,572,000</b>	<b>-\$162,000</b>	<b>-\$676,000</b>	<b>-\$2,739,101</b>	<b>-\$1,361,380</b>
Non-cash working capital items	641,000	-\$5,415,000	-\$594,000	-\$203,450	-\$213,623
	<b>2,213,000</b>	<b>-\$5,577,000</b>	<b>-\$1,270,000</b>	<b>-\$2,942,551</b>	<b>-\$1,575,003</b>
<b>INVESTING ACTIVITIES</b>					
PP&E	(471,000)	\$14,757,000	-\$21,000	-\$25,200	-\$30,240
Investment Properties	(6,577,000)	-\$34,778,000	-\$11,713,000	-\$90,000,000	-\$120,000,000
Net change in intangible assets	-		\$0		
Other Items	(11,617,000)	-\$887,000	\$31,515,000		
	<b>(18,665,000)</b>	<b>-\$20,908,000</b>	<b>\$19,781,000</b>	<b>-\$90,025,200</b>	<b>-\$120,030,240</b>
<b>FINANCING ACTIVITIES</b>					
Treasury	(142,000)	-\$11,000	-\$43,000	-	-
Lease obligation repayments	(5,379,000)	-\$2,935,000	-\$5,616,000		
Non controlling interest	2,100,000	\$6,040,000		\$13,500,000	\$18,000,000
Restricted cash and other deposits	(442,000)			-	-
Loan principal payments	17,830,000				
Long-term debt advances	-	\$22,588,000	-\$11,661,000	\$72,000,000	\$96,000,000
Others	(3,845,000)	-\$463,000	-\$23,000	\$12,500,000	\$15,000,000
	<b>10,122,000</b>	<b>\$25,219,000</b>	<b>-\$17,343,000</b>	<b>\$98,000,000</b>	<b>\$129,000,000</b>

### FRC ANALYSTS' TOP PICKS

Our analysts' highest-conviction stock ideas. Companies with strong potential for benchmark outperformance, supported by detailed research and proprietary fair value analysis.

EXPLORE THIS  
FEATURE



**Fundamental Research Corp. Equity Rating Scale (ratings are not a recommendation to acquire, dispose of, or take no action regarding a security; the definitions of our ratings are explained below):**

**Buy** – Fair value is 12% above the current market price; or risk and reward is favorable

**Hold** – Fair value is between 5% to 12% above the current market price

**Sell** – Fair value is 5% above, or less, than the current market value; or risk and reward is unfavorable

**Suspended or Rating N/A**— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

**Fundamental Research Corp. Risk Rating Scale:**

**1 (Low Risk)** - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

**2 (Below Average Risk)** - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

**3 (Average Risk)** - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

**4 (Speculative)** - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

**5 (Highly Speculative)** - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues and may rely on external funding. These stocks are considered highly speculative.

**Definition of FRC's Fair Value Estimate** – Our fair value estimate is the theoretical value of the company's equity using widely accepted methods of valuation such as discount cash flow or comparables. IT IS NOT A TARGET PRICE or PREDICTION OF THE FUTURE STOCK PRICE.

**Disclaimers and Disclosure**


**Analyst Certification:** The views expressed in this report accurately reflect the personal views of the analyst, and no part of their compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed.

Any "forward looking statements" are our best estimates and opinions based upon information that is publicly available and that we believe to be correct, but we have not independently verified with respect to truth or correctness. There is no guarantee that our forecasts will materialize. Actual results will likely vary. The analyst and Fundamental Research Corp. "FRC" do not own any shares of the subject company, do not make a market or offer shares for sale of the subject company, and do not have any investment banking business with the subject company. Fees ranging between \$20,000 and \$30,000 have been paid to FRC by Global Education Communities to commission this report, research coverage, and distribution of reports. **This fee creates a potential conflict of interest which readers should consider.** FRC takes steps to mitigate conflicts including setting fees in advance and utilizing analysts who must abide by CFA Institute Code of Ethics and Standards of Professional Conduct. Additionally, analysts may not trade in any security under coverage. Our full editorial control of all research, timing of release of the reports, and release of liability for negative reports are protected contractually. The issuer has agreed to a minimum coverage term and coverage cannot be unilaterally terminated. Distribution procedure: our reports are distributed first to our web-based subscribers on the date shown on this report then made available to delayed access users through various other channels for a limited time.

The distribution of FRC's ratings are as follows: BUY (72%), HOLD (3%), SELL / SUSPEND (25%).

This report contains "forward looking" statements. Forward-looking statements regarding the Company and/or stock's performance inherently involve risks and uncertainties that could cause actual results to differ from such forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products/services in the marketplace; acceptance in the marketplace of the Company's new product lines/services; competitive factors; new product/service introductions by others; technological changes; dependence on suppliers; systematic market risks and other risks discussed in the Company's periodic report filings, including interim reports, annual reports, and annual information forms filed with the various securities regulators. By making these forward-looking statements, Fundamental Research Corp. and the analyst/author of this report undertakes no obligation to update these statements for revisions or changes after the date of this report. A report initiating coverage will most often be updated quarterly while a report issuing a rating may have no further or less frequent updates because the subject company is likely to be in earlier stages where nothing material may occur quarter to quarter.

Fundamental Research Corp DOES NOT MAKE ANY WARRANTIES, EXPRESSED OR IMPLIED, AS TO RESULTS TO BE OBTAINED FROM USING THIS INFORMATION AND MAKES NO EXPRESS OR IMPLIED WARRANTIES OR FITNESS FOR A PARTICULAR USE. ANYONE USING THIS REPORT ASSUMES FULL RESPONSIBILITY FOR WHATEVER RESULTS THEY OBTAIN FROM WHATEVER USE THE INFORMATION WAS PUT TO. ALWAYS TALK TO YOUR FINANCIAL ADVISOR BEFORE YOU INVEST. WHETHER A STOCK SHOULD BE INCLUDED IN A PORTFOLIO DEPENDS ON ONE'S RISK TOLERANCE, OBJECTIVES, SITUATION, RETURN ON OTHER ASSETS, ETC. ONLY YOUR INVESTMENT ADVISOR WHO KNOWS YOUR UNIQUE CIRCUMSTANCES CAN MAKE A PROPER RECOMMENDATION AS TO THE MERIT OF ANY PARTICULAR SECURITY FOR INCLUSION IN YOUR PORTFOLIO. This REPORT is solely for informative purposes and is not a solicitation or an offer to buy or sell any security. It is not intended as being a complete description of the company, industry, securities or developments referred to in the material. Any forecasts contained in this report were independently prepared unless otherwise stated and HAVE NOT BEEN endorsed by the Management of the company which is the subject of this report. Additional information is available upon request. THIS REPORT IS COPYRIGHT. YOU MAY NOT REDISTRIBUTE THIS REPORT WITHOUT OUR PERMISSION. Please give proper credit, including citing Fundamental Research Corp and/or the analyst, when quoting information from this report. The information contained in this report is intended to be viewed only in jurisdictions where it may be legally viewed and is not intended for use by any person or entity in any jurisdiction where such use would be contrary to local regulations or which would require any registration requirement within such jurisdiction.




20+ Years of Equity Research  
[www.researchfrc.com](http://www.researchfrc.com)

**FRC ANALYSTS' TOP PICKS**

Our analysts' highest-conviction stock ideas. Companies with strong potential for benchmark outperformance, supported by detailed research and proprietary fair value analysis.

[EXPLORE THIS FEATURE](#)



\*past performance is not indicative of future results. Data as of 3/2/2026. Companies on the list have paid FRC for research coverage but list inclusion is merit based.