

MARKET STATISTICS

Exchange / Symbol	TSX: MBA
Price:	C \$0.67
Market Cap (\$mm):	C \$49.8
Shares Outstanding (mm):	74.3
Float (%):	53.0%
Volume (3-month avg.):	25,085
52-week Range:	\$0.40-\$0.72
Industry:	Education Services

CONDENSED BALANCE SHEET

(CAD \$mm, except per share data)

Balance Sheet Date:	8/31/2020
Cash:	\$23.0
Cash/Share:	\$0.32
Debt:	\$222.5
Equity (Book Value):	\$180.6
Equity/Share:	\$0.70

CONDENSED INCOME STATEMENTS

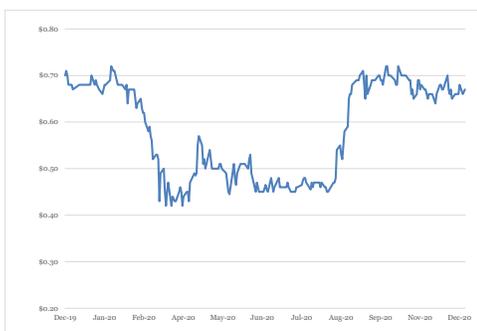
(CAD \$mm, except per share data)

FY - 8/31	Revenue	Net Income	EBITDA	EPS
FY18	\$74.9	\$19.9	\$13.9	\$0.25
FY19	\$71.0	\$2.6	\$5.8	\$0.03
FY20	\$62.5	\$1.2	\$14.5	\$0.02
FY21E	\$66.7	\$10.3	\$21.9	\$0.12

LARGEST SHAREHOLDERS

Camden Partners Holdings, LLC	10,894,558
Toby Chu	8,818,247
Shane F. Weir	2,954,900
May Hsu	1,691,040
Tony H. David	718,418
Concepts & Creations Ltd.	666,666
Morris Chen	543,500
Troy Rice	440,200
Mei-Jia Antiques Ltd.	279,000
Cross Pacific Holdings, LLC	127,000

STOCK CHART



COMPANY DESCRIPTION

CIBT Education Group, Inc. (CIBT), is one of the largest education, and student housing investment companies in Canada. Through its schools, CIBT offers business and management programs in healthcare, hotel management, language training, and 150+ career, language, and vocational programs. Furthermore, through its holding company, GECH, it invests in, develops, and manages education related real estate projects, such as student hotels, serviced apartments, and education super centers in Canada. CIBT has 45 locations in Canada and Asia, with total annual enrollment of over 12,000 students. CIBT was founded in 1994 and is headquartered in Vancouver, Canada.

SUMMARY

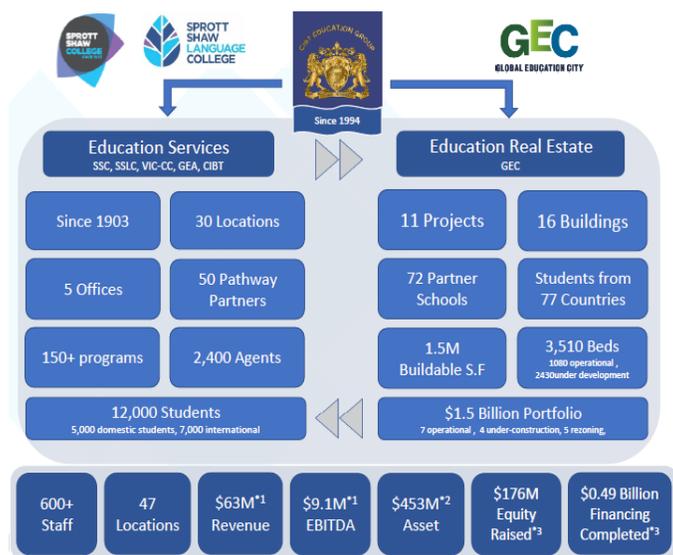
- CIBT has steadily grown and delivered results** – Historically, CIBT has shown solid growth in its two business segments, education, and real estate for decades. Both the Company's EBITDA as well as net profit have grown by a CAGR of ~22% over the past three fiscal years.
- Operating in Vancouver provides advantages** - The Company's operations are focused in the Vancouver area, which has benefited CIBT in many ways. Notably, in 2017 *US News* named Canada the best country in the world for education, even ahead of the United States. Canada was also ranked No. 1 by Education.com in 2020. Additionally, with a current vacancy rate at less than 1% in Vancouver, there is a direct need for expanded student housing options for those studying abroad.
- Solid footprint of educational facilities** - Since 1994, CIBT has developed a growing network of business, technical, and language colleges in both North America and Asia; annual student enrollment as most recently reported was ~13,000 students for FY19. The Company will continue driving the top line on the education side of the business through increased student enrollment via concentrated marketing efforts and continued management of the current global health and economic conditions.
- Unique real estate operations** - The Company launched an accommodations business in 2014 that is focused on providing housing and other services to its international students as well as its professionals in the Metro Vancouver area of British Columbia. CIBT's market value of its real estate portfolio was recently appraised at C\$580M by third-party valuation; the portfolio value, including development budgets, was estimated at over C\$1.4B. And out of several projects in the current pipeline, management notes that the education super centers under development are the most anticipated.
- Potential spin-off of real-estate assets in the works** – CIBT announced in August 2020 that it is evaluating options for its real estate subsidiary with a potential spin-off and subsequent listing on a recognized North American stock exchange. Management believes that this move would allow them to tap into a much larger investor base for capital to advance its real estate development projects.
- Valuation** – We are using a sum-of-the parts analysis. Our analysis provides an aggregate valuation range of C\$0.65 to C\$1.30, with a mid-point of C\$1.00. See more details on pages 8 and 9.

BUSINESS OVERVIEW

CIBT Education Group, Inc., is one of the largest education, and student housing investment companies in Canada. Through its schools, CIBT offers business and management programs in healthcare, hotel management, language training, and 150+ career, language, and vocational programs. Through its holding company, GECH, it invests in, develops, and manages education related real estate projects, such as student hotels, serviced apartments, and education super centers in Canada. Additionally, the Company owns 51% of IRIX, which is an advertising and design business based in Vancouver.

CIBT has 47 locations in Canada and Asia, with total annual enrollment of over 12,000 students. CIBT was founded in 1986 and is headquartered in Vancouver. Exhibit 1 highlights some of the most recently reported numbers for the education and real estate divisions.

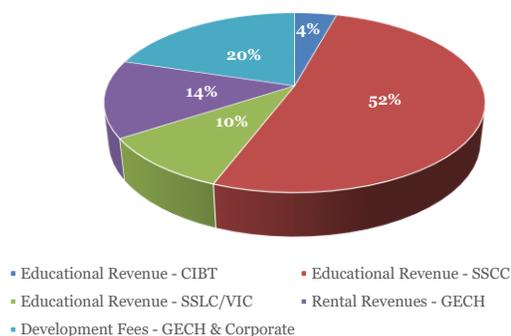
Exhibit 1: CIBT Education Group, Inc. Overview



Source: Company Reports

Overall, the education side of the business derives the largest portion of its revenues from the Sprott Shaw College and the Sprott Shaw Language College. Under Global Education City, the Company derives most of its revenue streams from development projects and management fees and rental income. And as mentioned, IRIX provides a wide range of production and design services for both CIBT as well as third parties. Most recently reported annual revenues detailed below show the allocation by source for FY20.

Exhibit 2: CIBT FY20 Revenues by Source



Source: Company Reports

EDUCATION SERVICES

Since 1994, CIBT has been developing a network of business, technical, and language colleges in both North America and Asia. Offerings include curriculums covering:

- Business and management
- College preparation
- Healthcare
- Hotel management and tourism
- English language training
- English teacher certifications
- Junior and high school preparations for overseas study
- Career/Vocational training

The Company offers these programs through several educational entities – Sprott Shaw College, Sprott Shaw Language College, Vancouver International College, and CIBT China, among others. And while some of these institutions have been educating students for many decades, in 2017 *US News* named Canada the best country in the world for education, even ahead of the United States. In 2020, Education.com of Sweden also named Canada the best country for international education.

Exhibit 3: Education Business Overview

Sprott Shaw College (SSCC)	Career & technical college
Sprott Shaw Language College (SSLC)	ESL College
Vancouver Int'l College (VIC)	ESL College
CIBT School of Biz & Technology (CIBT CHINA)	Automotive technical training, ESL & accounting in China
Global Education Alliance (GEA)	Recruitment of int'l students

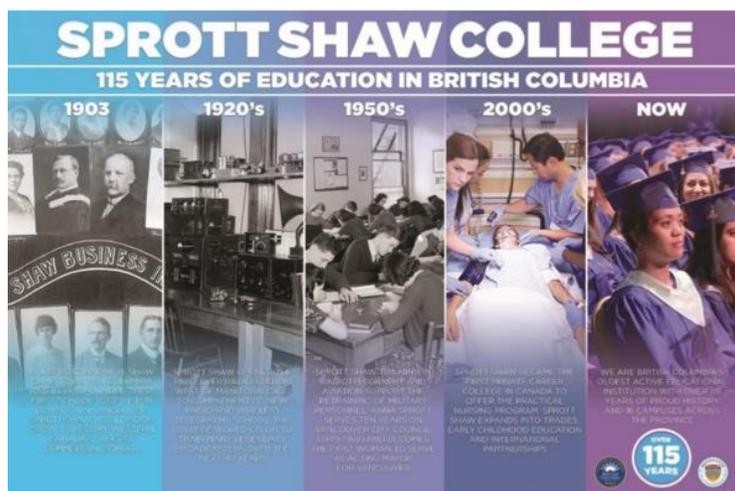
Source: Company Reports

Sprott Shaw College Corp. (SSCC)

Sprott Shaw College is a private career and technical training college that offers degrees as well as certificates in health sciences and social development, tourism, hospitality, business administration, trades and applied technology and international studies. The length of its programs range from 12 weeks to 24 months.

SSCC offers its programs from 16 campuses in British Columbia, including one satellite location in Canada and several mini-campuses located throughout Canada. Founded over 117 years ago, Sprott Shaw College has maintained a sharp focus on providing the most relative skills for meaningful jobs in high-growth industries, and these modern campuses educate nearly 5,000 students per year. The school has built a reputation for small class sizes, qualified instructors, high employment rate, and hands-on training in a friendly learning environment for adults of all ages. It's graduates benefit from this reputation when seeking employment in both the private and public sectors.

Exhibit 4: Sprott Shaw College



Source: Company Reports

Sprott Shaw Language College (SSLC)

Sprott Shaw Language College is a private institution offering certificates in English as a Second Language (ESL) for learners ages 6 to adulthood. SSLC also offers more specialized curriculums for adults such as language enhancement programs, various test preparation programs, and university pathway programs. All programs range in duration from one to 48+ weeks.

SSLC provides its education services from three campuses in Canada – Vancouver, Victoria and Toronto, Ontario, and it has one centralized office in Vancouver. With its core competency being teaching English through various methodologies to international students, SSLC has succeeded in this area for over 20 years and tallies over 150,000 students taught.

Vancouver International College (VIC)

VIC is like the SSCC in that it is a private language college. It has two branches, one of which specializes in English language programs and another that offers career college programs for international students. The English language campus programs range from one to 48+ weeks and offer flexible elective options as well, such as medical English for adults. The career college programs campus will custom-design curriculums in programs such as customer service, global business, interpreting and translation, and teaching English; these programs span over the timeframe of 4 to 48 weeks.

VIC is in downtown Vancouver and operates from two campuses; VIC is supported by the centralized offices of Sprott Shaw Language College. Since its inception over 16 years ago, VIC has built an excellent reputation in the industry for English language training and has educated over 20,000 students.

CIBT China

CIBT China is a post-secondary education provider in China that offers Chinese college degree programs and accounting courses over a period of 1 to 3 years in length. The classes are provided at either a university campus or from a satellite location that has been coordinated with a local university or college, and cooperative agreements are established with the respective university or college. CIBT China also has joint program schools at two locations in China that offer hotel management, design, early childhood education, physical education, and business courses.

CIBT China has a relatively long operating history of training recent high school graduates and adults working in urban centers, and through its extensive international network it has assisted in the placement of its student graduates at various multinational corporations as well as other employers in China and elsewhere.

Exhibit 5: Annual Student Enrollment Summary

	Annual Enrollment (9/1/2018 – 8/31/2019)
CIBT (China)	1,970
SSCC	4,818
SSLC	4,041
VIC	2,064
Total	12,893

Source: Company Reports

Global Education Alliance (GEA) and A Plus Student Services

In addition to its own educational initiatives and enrollment, the Company has two entities that focus on recruitment of international students for primary and secondary schools, universities, and colleges in North America. Clients include British Columbia Institute of Technology, Capilano University, Columbia College, Pythagoras Academy, Southpointe Academy and Vancouver Community College, among others.

STUDENT-CENTRIC REAL ESTATE

The Company launched an accommodations business in 2014 that is focused on providing housing and other services to its Canadian and international students as well as its professionals in the Metro Vancouver area of British Columbia. Global Education City Holdings, Inc. (GECH) is an investment holding and management company through which most of its real estate investment companies are held.

GECH provides the Company with three types of revenue streams:

- Fees from developing and structuring each project
- A proportional interest in net profits generated by each project through the holding of limited partnership units
- Management fees and rental income from managing business operations of each project

Additionally, investment properties are re-assessed and audited at the end of each reporting period for fair value, and the Company shares in gains/losses on fair value at its prorated share. When sold, the Company receives its share of the proceeds according to each specific limited partnership agreement.

The differences found at GECH properties vs. typical rental real estate are notable, especially for a student population – properties that come furnished with utilities and internet set up (no credit checks), as well as security and other amenities on property, and located in close proximity to public transit. And with vacancy rates in Vancouver below 1% for the past several years, the Company’s student-centric accommodations fill a definite need for those students wishing to pursue their academics in the Vancouver area.

Exhibit 6: Weighing the GECH Option

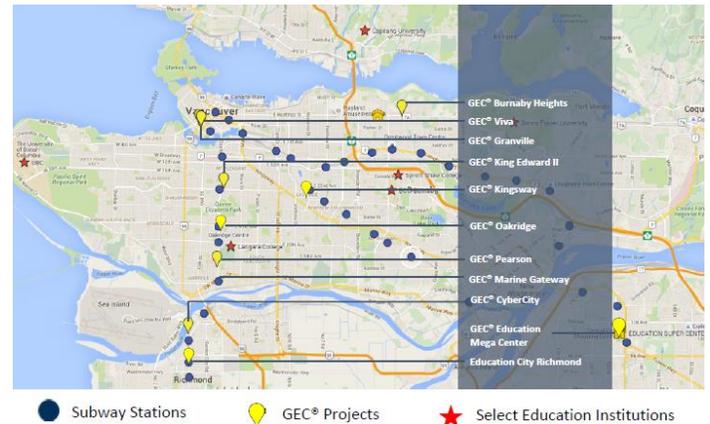
Why GEC Is The Best Option				
	GEC	Homestay Families	On-Campus Housing	Shared Apartment
Lease Term	1 month paid monthly	1 month paid monthly	12 months paid upfront	12 months paid monthly
Furniture & Appliances	✓	✓	✗ -\$500	✗ -\$1000
Utilities	✓	✓	✓	✗ -\$100/month
Internet	✓ 100 mbps	✓ 25 mbps	✓ 50 mbps	✗ -\$50/month
In-Suite Laundry	✓	✓ Once a week	✗ -\$25/month	✗ -\$25/month
Weekly Housekeeping	✓	✗	✗	✗
Fitness Centre	✓	✗ -\$75/month	✓	✗ -\$75/month
No Curfew	✓	✗ Midnight curfew	✓	✓
Proximity to Transit	✓ Close proximity	✗ Varies	✓ Close proximity	✗ Varies
On-Site Management	✓	✗	✓	✗
Student Experience	✓	✗	✓	✗
Student Eligibility	✓ Any student	✓ Any student	✗ Registered students only	✗ Varies
Total Expenses	\$900-1300/month	\$1025/month	\$14,800+/year \$480+ for 10 months No refund for summer break	\$1400+/month

All the financial figures are the best estimate or average market rate for the Metro Vancouver market as of June 30, 2020. Prices may change subject to a variety of factors and market conditions.

Source: Company Reports

GECH is focused on developing student hotels, serviced apartments and education super centers that total more than \$600M to date, and additional deals are pending. As mentioned, a unique advantage is the location of properties near both public transport and various educational facilities as compared to most US and UK models, which cater to one specific school in a small town. Other amenities that are also appealing to the student population include hot meals, shuttle services, after school activities and weekend excursions, private tutoring, and student counseling, among others.

Exhibit 7: Strategic GECH Property Locations



Source: Company Reports

Exhibit 8: Viva Tower Property – In Operation



Source: Company Reports

Exhibit 9: Burnaby Heights Property – In Operation



Source: Company Reports

Exhibit 10: Education Mega City – 2024 Operational



Source: Company Reports

IRIX

IRIX is a communications company that performs services for both CIBT as well as third-party businesses. IRIX offers a wide range of production and design services such as (1) graphic design, (2) production sales, (3) and production services for print, video, film, and multimedia.

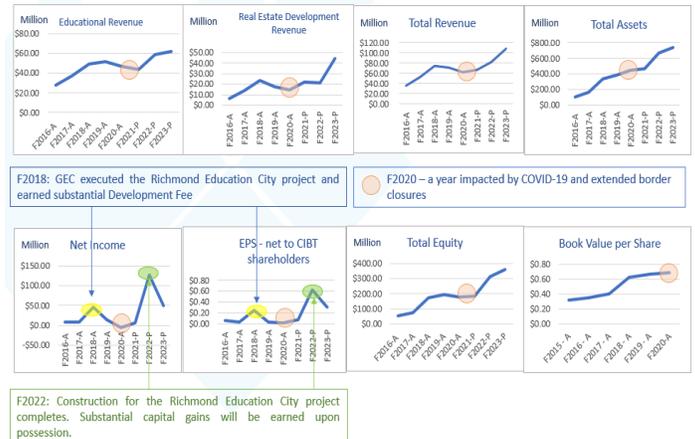
Target customers include smaller businesses that are seeking assistance with promoting its products or services in the Asian-Canadian marketplace via a solid marketing strategy supporting a defined image. IRIX will guide clients through the promotion process of general advertising of the brand, corporate identity, personal profile building, printing services, multimedia production, marketing support, website development, web applications, and online marketing. Notably, IRIX has a unique understanding of the Asian-Canadian market, including Chinese, Korean and the Japanese clientele, allowing it to target clients

who want to build an Asian-Canadian customer base in Metro Vancouver.

GROWTH STRATEGY

CIBT has been able to historically deliver long-term growth for its investor base, and management forecasts continued growth.

Exhibit 11: Historical and Forecasted Financial Results



Source: Company Reports

Education

The Company continues to keep driving the top line on the education side of the business through increased student enrollment via concentrated marketing efforts and continued management of the current global health and economic conditions. Management has stated that there has been very positive feedback from both parents, students and faculty regarding the Company’s response (as well as government initiatives) to COVID-19, precautions which included mask restrictions, lockdowns, public shutdowns, thorough equipment and facilities cleanings, and strict regulations with daily reminders, among other efforts.

Real Estate

With respect to its real estate business, the Company can leverage the extensive number of students to which it has access and channel those into its housing projects. GECH continues to expand its footprint within the Metro Vancouver area, and currently has plans to develop three education super centers. These super centers will be the first of its kind in North America, aggregating several multidisciplinary public and private schools in one location. The developments will feature short- and long-term stay accommodations or hotels and have shared resources such as auditoriums, cafeterias, video conference centers, job placement agencies, electronic libraries, and IT centers, as well as other amenities to save operating costs and increase efficiency for the schools. Students will be living at the GECH rental-apartments adjacent to, or upstairs from their schools.

Exhibit 12: Real Estate Expansion Plan

Beds	Property Name	Status	Next Event(s)	Timeline(s)
88	GEC Burnaby Heights	Operational		
220	GEC Viva	Operational		
222	GEC Granville	Operational		
305	GEC Pearson	Operational		
245	GEC Marine Gateway	Operational	Closed Oct '20	
180	GEC King Edward II	Project	Received permits in Sep '20	2022 start operating
350	GEC Kingsway	Project	Under construction; Master leased 21 yrs	2022 start operating
475	GEC Oakridge	Project	Under rezoning; BP approval Q3/Q4 2022	Dec 2024 start operating
267	GEC Cyber City (Education Super Cntr)	Project	Under rezoning; BP approval Q2 2022	Jan 2025 start operating
698	GEC Education Mega Center	Project	Under rezoning; BP approval Q4 2021	Dec 2024 start operating
460	GEC Global Education City (Richmond)	Project	Under construction; Completion/possession	mid 2022
1,080	Operational			
2,430	Under development			
3,510	Total beds			

Source: Company Reports

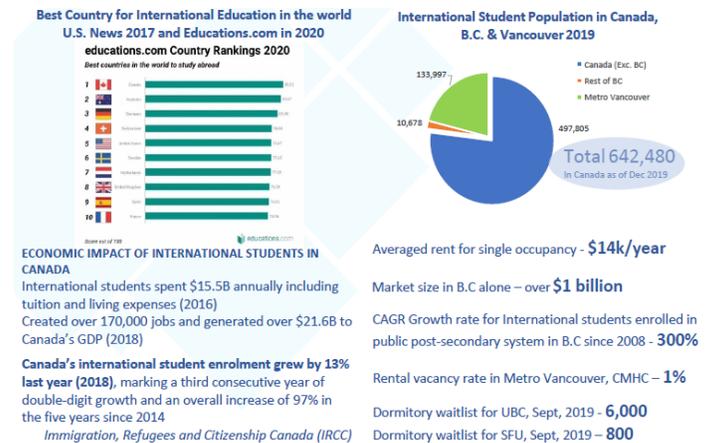
Notably, the Company issued a press release in August 2020 announcing that it is evaluating options for GECH with a potential spin-off and subsequent listing on a recognized North American stock exchange.

Management believes that this move would allow them to tap into a much larger investor base for capital to advance its real estate development projects. Per the release, as of May 2020, the market value of the GECH portfolio was appraised at C\$580M by third-party valuation; the portfolio value, including development budgets, was estimated at over C\$1.4B.

INDUSTRY OVERVIEW

The Company operates in the highly competitive education services industry, with most of its business in Canada, and a smaller portion of overseas operations (combined total of ~5% outside of Canada). Below we highlight certain data points specific to the Canadian operations.

Exhibit 13: International Education – Market Size in Canada



Source: Company Reports

CIBT has demonstrated its ability to successfully compete for both student enrollment as well as occupancy for its student housing against many well-established peers within this space, given its history and track record.

RISKS

As with any investment, there are certain risks associated with CIBT's operations as well as with the surrounding economic and regulatory environments common to the education services industry.

Global pandemic and potential disruptions- The length and severity of the COVID-19 global outbreak is still undetermined and will likely continue to cause general economic uncertainty and potentially worsening economic conditions in key global markets. Future economic growth will also likely be slowed or delayed, and recovery following the pandemic cannot be accurately predicted. This could make additional equity or debt financings difficult to obtain at beneficial valuations, and the Company anticipates needing additional capital to fully execute its proposed plans.

Liquidity risk - The Company's real estate investments are illiquid. While the Company manages its liquidity risk by monitoring its operating requirements and reducing costs when feasible, given the current conditions created by COVID-19, and by applying for available government funding when possible to support its business operations. Additionally, the Company has access to an operating credit facility and has been permitted delayed payments without penalty on certain mortgages. If needed, future distributions to limited partners could be temporarily reduced.

Highly competitive and fragmented industry - The education industry is highly competitive as well as highly fragmented. In this post-secondary education market, CIBT faces competition for students from more traditional public and private colleges and universities, on-line learning programs, as well as not-for-profit schools. Students also have the option of not attending or delaying higher education to enter the workforce or military service. And some of the Company's competitors receive substantial government subsidies and public funding with which to further its offerings for students. Management also anticipates increased competition from online learning in the near-term given the current COVID-19 challenges.

Real estate market dependence - The Company is highly susceptible to real estate market fluctuations. Interest rates and current real estate valuations can influence the cost of capital for development projects, and progress with construction can be delayed due to permitting and costs. Additionally, an influx of student-centric housing in proximity to the Company's assets can jeopardize business opportunities as competition develops for tenants.

Enrollment dependent on student funding sources - A substantial decrease in the availability of government student loans or increased costs of private student lending is likely to have a negative effect on student enrollment and thus financial results. Student enrollment can also be negatively impacted by the approval of student visas given the level of international student recruitment done by CIBT.

Shareholder concentration - As most recently report, insider ownership, including friends and family, of CIBT Education Group, Inc.'s stock was more than 50%. This factor is not always viewed as a positive for the Company's overall shareholder base and could dissuade future potential investors from considering the stock.

VALUATION

To help frame our valuation, we are using a sum of the parts analysis. We believe this approach is most suitable given the different business segments and potential spin-off of the real estate focused business. Our focus for both segments is based off adjusted EBITDA by segment, coupled with what each business may potentially look like in the future. We also note the following:

- CIBT provides segment information but does not provide EBITDA or adjusted EBITDA by segment.
- We combined GECH and Development fees from CIBT's segment presentation to create a spin-off "like" segment.
- We allocated corporate expenses to each segment based on the respective segment's revenue percentage contribution for FY19.
- We allocated aggregate net debt at 90% to GECH based on its implied share of total debt outstanding.

Exhibit 14: Comparative Analysis

(all figures in \$M, except per share information)

Name	Ticker	Price (1)	S/O	Mrkt Cap	EV	EV/S (2)			EV/EBITDA (2)			P/E (2)		
						TTM	2020E	2021E	TTM	2020E	2021E	TTM	2020E	2021E
Education														
Strategic Education, Inc.	STRA	\$ 95.51	24.2	\$2,309.8	\$ 1,642.4	1.6x	1.6x	1.4x	6.2x	6.0x	6.0x	19.6x	14.1x	15.5x
American Public Education, Inc.	APEI	\$ 32.71	14.8	\$ 484.4	\$ 267.5	0.9x	0.8x	0.7x	6.8x	7.2x	6.2x	28.3x	26.6x	22.0x
Universal Technical Institute, Inc.	UTI	\$ 6.17	32.6	\$ 201.4	\$ 313.4	1.0x	0.9x	0.9x	39.5x	9.5x	7.6x	123.4x	22.6x	15.3x
Lincoln Educational Services Corporation	LINC	\$ 6.35	26.5	\$ 168.1	\$ 235.8	0.8x	0.8x	0.7x	13.4x	12.8x	8.7x	15.3x	20.3x	13.3x
Zovio Inc	ZVO	\$ 4.20	32.2	\$ 135.2	\$ 82.8	0.2x	0.2x	0.3x	8.6x	5.5x	4.1x	NM	24.7x	10.5x
Average						0.9x	0.9x	0.8x	14.9x	8.2x	6.5x	46.7x	21.6x	15.3x
Median						0.9x	0.8x	0.7x	8.6x	7.2x	6.2x	24.0x	22.6x	15.3x
Real Estate														
American Campus Communities, Inc.	ACC	\$43.20	137.5	\$5,941.7	\$10,047.1	11.2x	12.2x	11.6x	23.5x	24.6x	23.1x	86.4x	107.6x	214.6x
Killam Apartment Real Estate Investment Trust	KMP.UN	\$ 17.72	102.9	\$1,822.7	\$ 3,407.4	13.2x	13.0x	12.0x	23.0x	22.6x	21.3x	8.1x	15.7x	13.2x
Mack-Cali Realty Corporation	CLI	\$ 13.05	90.7	\$ 1,183.1	\$ 4,779.3	15.0x	13.9x	16.2x	44.8x	32.0x	41.1x	NM	NM	NM
Minto Apartment Real Estate Investment Trust	MLUN	\$ 20.51	36.3	\$ 744.0	\$ 1,584.1	12.8x	12.6x	12.0x	NA	21.8x	20.7x	4.2x	NA	NA
Morguard North American Residential Real Estate Investment Trust	MRG.UN	\$ 16.10	39.0	\$ 628.1	\$ 2,281.3	9.3x	8.9x	8.5x	NA	18.6x	17.9x	3.1x	7.8x	13.5x
Preferred Apartment Communities, Inc.	APTS	\$ 7.42	49.4	\$ 366.2	\$ 3,133.1	6.3x	6.3x	6.3x	28.1x	10.5x	10.6x	NM	3.5x	NM
Average						11.3x	11.1x	11.1x	29.8x	21.7x	22.4x	25.5x	33.6x	80.4x
Median						12.0x	12.4x	11.8x	25.8x	22.2x	21.0x	6.2x	11.7x	13.5x
CIBT Education Group Inc.	MBA	\$ 0.67	74.3	\$ 49.8	\$ 378.6	6.1x	6.1x	5.7x	65.2x	41.5x	17.3x	nm	40.5x	5.5x

(1) Previous day's closing price

(2) Estimates are from Capital IQ except for MBA revenues, EBITDA and EPS, which are Stonegate estimates

Name	Ticker	5YR Frwd AVG Multiples			7YR Frwd AVG Multiples			10YR Frwd AVG Multiples		
		EV/S	EV/EBITDA	P/E	EV/S	EV/EBITDA	P/E	EV/S	EV/EBITDA	P/E
Education										
Strategic Education, Inc.	STRA	2.0x	9.6x	21.0x	1.8x	8.6x	19.4x	1.8x	8.0x	17.5x
American Public Education, Inc.	APEI	0.9x	5.5x	20.6x	1.0x	5.4x	18.8x	1.3x	5.9x	18.1x
Universal Technical Institute, Inc.	UTI	0.5x	11.1x	40.0x	0.5x	9.6x	71.9x	0.5x	8.1x	51.7x
Lincoln Educational Services Corporation	LINC	0.4x	8.3x	37.8x	0.4x	8.5x	37.8x	0.4x	7.5x	41.4x
Zovio Inc	ZVO	0.2x	3.5x	22.5x	0.2x	4.1x	27.0x	0.4x	3.7x	21.7x
Average		0.8x	7.6x	28.4x	0.8x	7.2x	35.0x	0.9x	6.6x	30.1x
Median		0.5x	8.3x	22.5x	0.5x	8.5x	27.0x	0.5x	7.5x	21.7x
Real Estate										
American Campus Communities, Inc.	ACC	10.9x	20.6x	66.3x	10.5x	20.2x	65.4x	10.4x	20.1x	64.3x
Killam Apartment Real Estate Investment Trust	KMP.UN	11.6x	20.5x	12.1x	11.0x	19.8x	13.0x	10.5x	18.9x	12.1x
Mack-Cali Realty Corporation	CLI	9.7x	20.8x	93.4x	8.9x	19.0x	104.5x	8.3x	17.1x	75.2x
Minto Apartment Real Estate Investment Trust	MLUN	10.5x	19.4x	13.9x	10.5x	19.4x	13.9x	10.5x	19.4x	13.9x
Morguard North American Residential Real Estate Investment Trust	MRG.UN	8.8x	18.5x	9.8x	8.6x	18.0x	9.6x	8.5x	17.7x	9.6x
Preferred Apartment Communities, Inc.	APTS	6.5x	10.8x	1.3x	6.7x	10.7x	29.9x	7.1x	10.7x	29.9x
Average		9.7x	18.4x	32.8x	9.4x	17.9x	39.4x	9.2x	17.3x	34.2x
Median		10.1x	20.0x	13.0x	9.7x	19.2x	21.9x	9.5x	18.3x	21.9x
CIBT Education Group Inc.	MBA	3.1x	17.8x	7.3x	3.0x	17.8x	7.3x	3.0x	17.6x	7.5x

Source: Capital IQ, Stonegate Capital Partners

Education

In an attempt to normalize CIBT education business, exclusive of COVID-19, we are using F19 revenue of \$52.75M as run rate revenue. We calculate a normalized adjusted EBITDA margin, after adjusting for 1x items identified by the Company, and allocating corporate expenses (adjusted for 1x items identified by the Company; and a 74% allocation), of 8.7%. We then grow tuition or revenue at 5% for the next 4.25 years and apply the 8.7% adjusted EBITDA margin to arrive at C\$5.6M. Looking at comps above, coupled with historical forward multiples, we believe a 6.0x to 10.0x EV/EBITDA range is appropriate. We then discount this value to today using a 10% discount rate to arrive at our valuation range of C\$0.05 to C\$0.25, with a midpoint of C\$0.15.

GECH – Real Estate

We note that CIBT does not provide specific occupancy rates at its current locations nor does it provide any specific metrics/bed. Given the coronavirus impacts and the lack of specific company metrics, we made various assumptions to calculate adjusted EBITDA/bed to make our forecast. Our assumptions are as such:

- Our future date is Dec 31, 2024, when all CIBT's real estate projects should be fully operational and rent stabilized.
- Current bed portfolio of 3,510 grows 4% per year via new announcements of development projects (3-5 year completion timelines) and acquisition of beds already generating cash flows. 4% growth adds ~700 additional beds to portfolio.
- 4% growth assumes 1 to 2 projects are announced per year. We note 2014 to 2020 showed average additions of ~130 beds/yr. and in the past three years, CIBT has averaged additions of ~875 beds/yr. (majority are development projects).
- We use Q4FY19 and Q1FY20 (Aug'19 & Nov'19) as normalized periods and averaged our calculated adjusted EBITDA for that period and allocated corporate expenses to arrive at a C\$3.15M quarterly, adjusted EBITDA per bed figure.
- We then annualized this figure and applied it to a 4,210-bed forecast.
- We used current net-debt per bed figure to factor in financing of unannounced beds.
- We applied CIBT's average ownership in its various LPs that hold all the mentioned real-estate assets.

Looking at comps above, coupled with historical multiples, we believe a 17.0x to 21.0x EV/EBITDA range is appropriate. We then discount this value to today using a 12% discount rate to arrive at our valuation range of C\$0.57 to C\$1.06, with a midpoint of C\$0.82. We use a higher discount rate for GECH than the education business given the higher level of uncertainty surrounding the forecast period (timing of project completions; ~60% of the beds are not currently operating, etc.).

Exhibit 15: Education Business Valuation Ranges

EBITDA Multiple	6.0x	8.0x	10.0x
EV	33.9	45.2	56.5
Net debt	28.5	28.5	28.5
MC	5.4	16.7	28.0
S/O	74.3	74.3	74.3
FV Price	0.07	0.22	0.38
Disct Rt	10.0%	10.0%	10.0%
Target Date	12/31/2024	12/31/2024	12/31/2024
Years	4.3	4.3	4.3
Disct factor	0.67	0.67	0.67
PV Price	\$ 0.05	\$ 0.15	\$ 0.25

Exhibit 16: GECH Business Valuation Ranges

EBITDA Multiple	17.0x	19.0x	21.0x
EV	901.7	1007.8	1113.8
CIBT ownership %	28.0%	28.0%	28.0%
CIBT EV	252.5	282.2	311.9
Net debt	184.0	184.0	184.0
MC	68.5	98.2	127.9
S/O	74.3	74.3	74.3
FV Price	\$ 0.92	\$ 1.32	\$ 1.72
Disct Rt	12.0%	12.0%	12.0%
Target Date	12/31/2024	12/31/2024	12/31/2024
Years	4.3	4.3	4.3
Disct factor	0.62	0.62	0.62
PV Price	\$ 0.57	\$ 0.82	\$ 1.06

Source: Stonegate Capital Partners

Putting both valuation ranges together we arrive at an aggregate range C\$0.65 to C\$1.30, with a mid-point of C\$1.00.

BALANCE SHEET

CIBT Education Group Inc.			
Consolidated Balance Sheets (CAD\$Ms)			
Fiscal Year: August			
ASSETS	FY2018	FY2019	FY2020
Assets			
Cash and Cash Equivalents	\$33.2	\$ 15.2	\$ 23.0
Trade and Other Receivables	19.2	21.3	26.2
Incomes Taxes Receivable	-	3.6	0.0
Inventory	0.8	0.7	0.7
Prepaid Expenses and Other Current Assets	1.7	2.8	4.2
Restricted Cash	0.3	0.2	0.2
Development Assets	-	6.7	0.5
Total Current Assets	55.2	50.5	54.8
Property and Equipment	62.3	61.4	59.1
Deferred Income Tax Asset	3.9	1.7	1.6
Goodwill	10.4	9.1	-
Intangible Assets & Goodwill	9.5	8.7	13.3
Other Assets	1.6	0.3	1.2
Investment Properties	144.7	201.5	246.3
Development Assets	53.4	56.6	64.5
Rights of Use Assets	-	-	11.9
Total Assets	340.8	389.7	452.8
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade and Other Payables	\$ 16.6	\$ 16.2	\$ 16.4
Current Portion of Long-term Debt	28.6	42.1	118.6
Current Portion of Capital Lease Obligations	-	-	4.0
Income Taxes Payable	5.1	0.2	1.5
Deferred Revenue	23.6	23.2	20.4
Total Current Liabilities	73.8	81.7	160.9
Long Term Liabilities			
Long-term Debt	87.1	102.1	86.3
Finance Lease Obligations	-	-	13.5
Deferred Income Tax Liabilities	8.3	11.8	11.5
Total Long Term Liabilities	95.4	113.8	111.3
Total Liabilities	169.2	195.5	272.2
Shareholders' Equity			
Common Stock - Par Value	52.0	50.8	49.5
Retained Earnings (Deficit)	(8.5)	(6.1)	(4.6)
Accumulated Other Comprehensive Inc (Loss)	0.2	0.2	0.2
Reserves	5.7	6.6	6.1
Total Stockholders Equity to Shldrs	49.4	51.4	51.3
Minority Interest	122.2	142.7	133.6
Total Shareholders' Equity (deficit)	171.7	194.2	184.9
Total Liabilities and Shareholders' Equity	340.8	389.7	457.0
Ratios			
Current Ratio	0.7x	0.6x	0.3x
Debt / Capital	40.2%	42.6%	54.6%
Total Liabilities to Total Assets	49.6%	50.2%	60.1%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

CIBT Education Group Inc.				
Consolidated Statements of Income (in C\$Ms, except per share amounts)				
Fiscal Year: August				
	FY 2018	FY 2019	FY 2020	FY 2021E
Revenues				
Educational	\$ 49.5	\$ 52.1	\$ 46.9	\$ 48.0
Design and Advertising	1.1	0.9	0.7	0.8
Commission and Referral Fees	0.9	0.7	0.4	0.4
Development Fees	12.8	4.3	4.5	6.3
Rentals	10.6	13.0	10.0	11.2
Total Revenue	74.9	71.0	62.5	66.7
Direct Costs				
Educational	22.7	23.0	20.5	20.7
Design and Advertising	0.3	0.2	0.2	0.2
Commission and Referral Fees	0.7	0.5	0.2	0.1
Rentals	5.3	7.1	4.8	5.6
Total Direct Costs	29.0	30.7	25.6	26.5
Other Expenses				
General and Administrative	32.4	34.0	28.0	29.9
Amortization of PPE & Intangible Assets	1.8	2.2	4.6	4.6
Stock based Compensation	0.3	0.3	0.2	0.4
Total Other Exp	34.4	36.5	32.8	34.9
Operating Income	11.5	3.8	4.1	5.3
Finance Costs	(5.6)	(6.6)	(8.2)	(8.2)
Gain on Fair Value Change in Investment Prop	43.5	20.1	(5.7)	12.0
Other Income/expense-net	3.0	(1.2)	5.3	3.0
Income Before Inc Taxes	52.4	16.1	(4.4)	12.1
Provision for Income Tax	(7.0)	(1.2)	(0.3)	(1.0)
Net Income	45.4	14.9	(4.8)	11.1
Net Income (Loss) to CIBT	19.9	2.6	1.2	10.3
Non-controlling interests	25.4	12.3	(6.0)	0.8
EPS - Basic	\$ 0.25	\$ 0.03	\$ 0.02	\$ 0.13
EPS - Diluted	\$ 0.25	\$ 0.03	\$ 0.02	\$ 0.12
Basic S/O	78.3	76.7	74.2	77.9
Diluted S/O	79.9	81.0	74.2	84.1
EBITDA	57.4	26.3	9.1	21.9
Adjusted EBITDA	13.9	5.8	14.5	21.9
Growth Rate Analysis Y/Y				
Revenues	39.8%	-5.2%	-11.9%	6.7%
Direct Costs	20.0%	6.1%	-16.5%	3.5%
Other Expenses	31.9%	6.1%	-10.2%	6.5%
Operating Income	245.4%	-67.2%	9.6%	28.3%
Income Before Inc Taxes	414.6%	-69.3%	-127.6%	-372.8%
Net Income	447.7%	-67.1%	-131.8%	-333.9%

Source: Company Reports, Stonegate Capital Partners estimates

IN THE NEWS

December 2, 2020 – CIBT's Education Mega Center Receives ADP Approval.

December 1, 2020 – CIBT Education Group Reports C\$7M Investment Commitment for GEC Oakridge.

December 1, 2020 – CIBT Reports Financial Results For Fiscal Year Ended August 31, 2020.

November 9, 2020 – CIBT Provides Update On Its Normal Course Issuer Bid (Share Buy-Back).

November 4, 2020 – CIBT Education Subsidiaries Receive Approval From Government Of Canada To Resume International Students Enrollment.

November 3, 2020 – CIBT Provides Update On Its GEC Branded Real Estate Portfolio.

October 28, 2020 – CIBT Subsidiary Completes The Acquisition Of The 15th and 16th GEC Branded Buildings For \$48.5M.

October 19, 2020 – CIBT Subsidiary Reports Oversubscribed Equity Raise.

October 1, 2020 – CIBT Subsidiary Advances Closing Conditions For The Acquisition of Two Buildings.

September 25, 2020 – CIBT Places No. 334 On The Globe And Mail's Second-Annual Ranking Of Canada's Top Growing Companies.

September 10, 2020 – CIBT Ranks #33 On The 2020 Business In Vancouver List Of Top 100 Fastest-Growing Companies In B.C.

September 8, 2020 – CIBT Education Group Subsidiary Receives CA\$13M Investment.

September 1, 2020 – CIBT Education Group Subsidiaries Receive \$4.9M In Investment.

August 24, 2020 – CIBT Education Group, Inc. announced plans to explore potential spin-off of its real estate subsidiary Global Education City Holdings, Inc.

July 14, 2020 – CIBT Reports Financial Results For Third Quarter of Fiscal 2020.

June 10, 2020 – CIBT Subsidiary Signs Formal Agreement To Purchase The 15th and 16th GEC Branded Buildings In Metro Vancouver.

CORPORATE GOVERNANCE

Toby Chu – Chairman, President, and CEO – Mr. Yam-Chung Chu, also known as Toby, has been the Chief Executive Officer and President of CIBT Education Group Inc. since May 11, 1994. Mr. Chu Founded CIBT School of Business & Technology Corp., a subsidiary of CAG. in 1994 and has been its Chief Executive Officer and President since May 11, 1994. Mr. Chu served as the Chief Executive Officer and President of Asia Interactive Media Inc. from January 26, 2007 to July 23, 2007. He served as the President and Chief Executive Officer of CIBT Education Group Inc. since 1986. He served as an Executive Officer at NextMart Inc. He served as the Chief Executive Officer and President of SE Global Equities Corp. since 1999. He served as an Executive Officer of Sun New Media, Inc. Mr. Chu has served as Chairman of SE Global Equities Corp. He has been the Chairman of the CIBT Education Group Inc., since July 29, 2016. He served as Vice Chairman of CIBT Education Group Inc. He has been a Director of CIBT Canadian Institute of Business & Technology Corp., since 1986. He serves as a Director of CIBT School of Business & Technology Corp. Additionally, he serves or has served as a Director of numerous privately and publicly held companies in Canada, United States, Hong Kong, China, and Switzerland. He was nominated for the Ernst & Young Chartered Accountants and Montreal Trust sponsored Entrepreneur of the Year Award and made the short-list as one of the top 30 finalists among 300 nominees across Canada. In 1993, he was awarded the honor of "Top 40 Business People Under the Age of 40" by the Business in Vancouver newspaper. In 1997, he was selected by the Asia Pacific Foundation of Canada to participate in the published case study, 'Succeeding Profiles of Chinese Canadian Entrepreneurs'. Mr. Chu holds a Diploma in Business Administration from Vancouver Community College in Vancouver, Canada.

Dennis Huang – Executive Vice-President and Chief Accounting Officer - Mr. Dennis Huang, also known as Dan, B.Sc., M.Econ., PhD, FMA, serves as Chief Accounting Officer at CIBT Education Group Inc. since April 2020 and serves as its Executive Vice-President of CIBT Group and served as its Director since April 2020 until June 2020. Mr. Huang had been the Chief Financial Officer of CIBT Education Group Inc. since June 28, 2010 until April 2020 and had been its Executive Vice President since September 02, 2015 and served as its and Corporate Secretary since June 28, 2010 until September 02, 2015. Mr. Huang serves as Vice President of Finance and Corporate Compliance for CIBT School of Business & Technology Corp. He has been working with CIBT Education Group for the past four years, assisting it and its subsidiaries with corporate finance and accounting activities. He served as Executive Vice President of Finance at CIBT Education Group Inc. from December 2006 to June 2010. He served as Vice President at CIBT Education Group. Mr. Huang held executive positions in the retail securities brokerage industry in Canada and China. He has also obtained numerous professional designations as well as licenses in the industry over the years. Mr. Huang graduated with a Bachelor of Science degree from Zhongshan University, Guangzhou, China in 1982. He furthered his study at Jinan University, Guangzhou, China, where he received his Master of Economics degree (Management Direction) in 1988 and ultimately a Doctorate degree in Economics in 1998.

Hilbert Ng – Chief Financial Officer, CIBT Group and President, Global Education City Holdings, Inc. - Mr. Yu Hin Ng, also known as Hilbert, CPA, CMA, serves as President of Education Services at CIBT Education Group Inc. since April 2020 and served as its Director since April 2020 until June 2020. He has been a Director of Westshire Capital II Corp since January 21, 2016. Mr. Ng serves as Chief Financial Officer at CIBT Education Group Inc. since April 2020. Mr. Ng has been Senior Vice President Corporate Finance for CIBT Education Group Inc. since April 2017. He has been involved with incubating startups and structuring high growth, high performance operational teams. He serves as President of Global Education City Holdings Inc. He served as Vice President of Element 8 Capital Corp. from January 2013 to 2017. Prior to Westshire, Mr. Ng was briefly a project manager with Epic Marketing Solutions from April 2012 to August 2012, a company that provided marketing consulting services to global real estate developers, insurance underwriters and cosmetic product companies and an account manager position for high net worth individuals and corporations at HSBC Bank Canada from February 2011 to March 2012. He is a CPA/CMA and holds a BBA from Simon Fraser University.

Board of Directors:

Toby Chu – *Chairman, President and CEO*

May Hsu – *Independent Director*

Troy Rice, CPA – *Independent Director*

Shane Frederick Weir – *Independent Director*

Morris Chen – *Independent Director*

Tony Haskell David – *Independent Director*

Derek Yiyi Feng – *Independent Director*

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