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IBI Group Announces \$40 Million Offering of 6.50% Senior Unsecured Debentures

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Toronto, ON (September 15, 2020) – IBI Group Inc. (the “**Company**” or “**IBI**”) (TSX:IBG) announced today that it has entered into an agreement with CIBC Capital Markets and National Bank Financial Inc., on behalf of a syndicate of underwriters and agents, respectively, pursuant to which the Company will issue \$40 million aggregate principal amount of 6.50% senior unsecured debentures (the “**Debentures**”) at a price of \$1,000 per Debenture (the “**Issue Price**”). \$17,175,000 principal amount of the Debentures will be issued to the public on a bought deal basis (the “**Public Offering**”), and \$22,825,000 principal amount of the Debentures will be issued to select institutional investors on a private placement basis (the “**Private Placement**”, and together with the Public Offering, the “**Offering**”), for total gross proceeds to IBI of \$40 million.

The Company has also granted the underwriters under the Public Offering (the “**Underwriters**”) an option to purchase up to an additional \$2,576,000 aggregate principal amount of Debentures at the Issue Price, exercisable in whole or in part at any time for a period of up to 30 days following closing of the Public Offering (the “**Over-Allotment Option**”). Should the Over-Allotment Option be exercised, the agents under the Private Placement will have the option to increase the size of the Private Placement in proportion to the Debentures that are purchased by the Underwriters pursuant to the Over-Allotment Option. The Offering is expected to close on or about October 2, 2020, and closing of each of the Public Offering and Private Placement will be conditional upon the concurrent closing of the other.

The Debentures will bear interest at a rate of 6.50% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, commencing December 31, 2020. The first payment will include accrued and unpaid interest for the period from closing of the Offering to, but excluding, December 31, 2020. The Debentures will mature on December 31, 2025 (the “**Maturity Date**”).

The Company intends to use the net proceeds of the Offering to fund the redemption of the Company’s 5.50% convertible debentures due December 31, 2021 (“**2021 Debentures**”), for which the Company expects to deliver a notice of redemption as soon as practicable following closing of the Offering, with redemption to be effective 30 days following the date of the notice of redemption. Prior to redeeming the 2021 Debentures, the Company may use the net proceeds of the Offering to repay existing indebtedness under the Company’s credit facility, which amount will then be available to be drawn, as required, to fund the redemption of the 2021 Debentures.

The Debentures will be direct senior unsecured obligations of the Company and will rank (i) subordinate to all existing and future senior secured indebtedness of the Company, (ii) subordinate to all existing and future secured indebtedness that is not senior secured indebtedness, but only to the extent of the value of the assets securing such other secured indebtedness, (iii) *pari passu* with each debenture issued under the

indenture under which the Debentures will be issued (the “**Indenture**”) and with all other present and future unsubordinated indebtedness of the Company that is not senior secured indebtedness, including trade creditors, (iv) senior in right of payment to indebtedness of the Company (if any) that by its terms is subordinated in right of payment to the Debentures, and (v) structurally subordinated to all existing and future obligations, including indebtedness and trade payables, of the Company’s subsidiaries. The payment of principal and premium, if any, of, and interest on, the Debentures will be subordinated in right of payment to all senior secured indebtedness of the Company, as will be set forth in the Indenture. The Indenture will not restrict the Company or its subsidiaries from incurring additional indebtedness or from mortgaging, pledging or charging its properties to secure any indebtedness or liabilities. None of the Company’s subsidiaries will guarantee the Debentures.

The Debentures will not be redeemable by the Company before December 31, 2023 (the “**First Call Date**”). On and after the First Call Date and prior to December 31, 2024, the Debentures will be redeemable, in whole or in part, from time to time at the Company’s option at a redemption price equal to 103.25% of the principal amount of the Debentures redeemed plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. On and after December 31, 2024 and prior to the Maturity Date, the Debentures will be redeemable, in whole or in part, from time to time at the Company’s option at par plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. The Company shall provide not more than 60 nor less than 30 days’ prior notice of redemption of the Debentures. The Company’s ability to effect a redemption as specified above is subject to compliance with the terms of its credit agreement.

The Debentures issued pursuant to the Public Offering will be offered by way of a short form prospectus to be filed in each of the provinces and territories of Canada. The Debentures issued pursuant to the Private Placement will be offered by way of an exemption from the prospectus requirements of applicable securities laws and will be subject to a statutory hold period under Canadian securities legislation for four months and one day following the closing of the Private Placement. The Offering is subject to customary regulatory approvals, including approval of the Toronto Stock Exchange.

The securities offered pursuant to the Offering have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the “**1933 Act**”) and may not be offered, sold or delivered, directly or indirectly, in the United States, or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the 1933 Act), except pursuant to an exemption from the registration requirements of the 1933 Act. This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction

Cautionary Statement Regarding Forward-Looking Information

Certain statements in this news release may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiary entities, including IBI or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this news release, such statements use words such as “may”, “will”, “expect”, “believe”, “plan” and other similar terminology. These statements reflect management’s current expectations regarding future events and operating performance and speak only as of the date of this news release. In particular, this news release includes forward-looking information relating to the proposed timing of completion of the Offering, the anticipated use of the net proceeds of the Offering and the terms of the Debentures. These forward-looking statements involve a number of risks and uncertainties, including those related to: (i) the impact of general economic conditions; (ii) industry conditions; (iii) stock market volatility; and (iv) the failure or delay in satisfying any of the conditions to the completion of the Offering, many of which are beyond the Company’s control. For an augmented discussion of the risk factors and uncertainties that affect or may affect the Company, the reader is directed

to the section entitled “Risk Factors” in the Company’s Annual Information Form for the year ended December 31, 2019. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this news release are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

About IBI Group Inc.

IBI Group Inc. (TSX:IBG) is a technology-driven design firm with global architecture, engineering, planning, and technology expertise spanning over 60 offices and 2,700 professionals around the world. For nearly 50 years, its dedicated professionals have helped clients create livable, sustainable, and advanced urban environments. IBI Group believes that cities thrive when designed with intelligent systems, sustainable buildings, efficient infrastructure, and a human touch. Follow IBI Group on Twitter @ibigroup and Instagram @ibi_group.

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