



EpicQuest Education Announces Fiscal Year 2025 Financial Results and an Operations Update

- *EEIQ Records 10% Year-over-Year Revenue Growth in a Challenging Market Environment*
- *Flagship Institution Davis University Achieves its First Year of Profitability*

TOLEDO, Ohio, January 28, 2026 /GLOBE NEWSWIRE/ -- EpicQuest Education Group International Limited (NASDAQ: EEIQ), ("EpicQuest Education", "EEIQ" or the "Company"), a provider of comprehensive education solutions for domestic and international students seeking college and university degrees in the US, Canada and the UK, today announced its financial results for the twelve months ended September 30, 2025 and an operations update.

"We are pleased to report a year-over-year revenue increase of 10% for the 2025 fiscal year driven by the continued success of our two higher education institutions and the innovative foundational programs that we deliver with elite universities worldwide," stated EpicQuest Education CEO Jianbo Zhang. "We are especially proud to announce that our flagship institution, Davis University, achieved its first year of profitability, a major milestone in our journey towards long-term growth and sustainability. This achievement underscores the strength of our dual strategy, providing career-focused programs aligned with today's evolving job market and forging broad-based international collaborations and partnerships."

"While many U.S. institutions face declining international enrollment, our innovative approach of building foundational and collaborative programs in students' home countries has fueled solid growth. By developing foundational and joint programs within students' home countries, we are able to provide our academic programming and pathways to higher education around the globe. This strategic approach not only diversifies revenue streams but also builds a robust enrollment pipeline for both Davis University and EduGlobal College.

"In recent news, we were honored with the CES Speed Award for Global Branding for excellence in global brand acceleration at CES 2026, the world's largest global technology event held in Las Vegas. This achievement underscores the success of our internationalization efforts and our team's unwavering dedication to our global expansion strategy. In addition, we are developing an AI-powered platform designed to enhance student engagement and tutoring through a unique integration of human interaction. We believe our personalized learning experiences offer exceptional value for students while driving sustainable long-term returns for our shareholders," concluded CEO Jianbo Zhang.

Fiscal Year 2025 Financial Results Ended September 30, 2025

Revenues were \$8.95 million for the fiscal year 2025 compared to \$8.15 million for fiscal 2024, an increase of \$0.79 million or 9.7%. The increase in revenue was mainly due to an increase in international student enrollment at Davis University as well as the Company's new international foundational and collaborative programs that are offered by Davis University and EduGlobal College.

Gross profit was \$5.93 million for the fiscal year 2025 compared to \$5.31 million for fiscal 2024, an increase of \$0.62 million or 11.7%. The increase was primarily due to the net effect of improved cost management that included cost synergies across our operations.

Operating Costs and Expenses were \$10.11 million for the fiscal year 2025 compared to \$12.74 million for fiscal 2024, a decrease of \$2.63 million or 20.6%. The decrease was primarily due to the 22.0% decrease in general and administrative expenses to \$8.74 million from \$11.20 million in fiscal 2024 due to lower management fees charged by the Company's business partners and reduced stock-based compensation expenses.

Operating loss was \$4.18 million for the fiscal year 2025 compared to an operating loss of \$7.43 million for fiscal 2024, a decrease of \$3.25 million or 43.7%. The decrease in operating loss was due to higher revenues as well as lower operating costs and expenses in fiscal 2025 as compared to fiscal 2024.

Other income was \$1.66 million for the fiscal year 2025 as compared to other income of \$0.52 million for fiscal 2024, an increase of \$1.14 million, or 219.2%. The increase in other income was due to a \$1.2 million gain on the settlement of an accounts payable, and a \$0.5 million gain from the sale of a property on the Middletown campus of Miami University.

Net loss was \$2.53 million for the fiscal year 2025 compared to a net loss of \$6.57 million for fiscal 2024, a decrease of \$4.04 million, or 61.5%, due to the factors discussed above.

Net Loss Per Basic and Diluted Share for the fiscal year 2025 was \$0.16 compared to a net loss of \$0.47 per basic and diluted share for fiscal 2024. The weighted average number of shares used in the computation of basic and diluted earnings per share for the fiscal year 2025 was 15,486,467 shares compared to 12,637,968 shares for basic and diluted earnings per share for fiscal 2024.

Financial Condition

As of September 30, 2025, the Company had \$4.75 million in cash and cash equivalents, an increase of \$3.60 million or 313.0% as compared to \$1.15 million as of September 30, 2024. As of September 30, 2025, working capital was \$7.41 million (current assets minus current liabilities) and the current ratio (current assets divided by current liabilities) was 1.83x, as compared to working capital of \$2.03 million and a current ratio of 1.21x as of September 30, 2024. Shareholders' equity as of September 30, 2025 was \$8.81 million, an increase of \$3.64 million or 70.4% as compared to shareholders' equity of \$5.17 million as of September 30, 2024.

Liquidity and Capital Resources

Net cash used in operating activities for the twelve months ended September 30, 2025 was \$2.95 million as compared to net cash used in operating activities of \$9.48 million for the twelve months ended September 30, 2024. This decrease was primarily due to the changes in net income and other working capital balances. Changes in these balances are included in the changes in assets and liabilities presented in the consolidated statement of cash flows.

Net cash provided from investing activities was \$1.46 million for the twelve months ended September 30, 2025 as compared to net cash provided from investing activities of \$0.72 million for the twelve months ended September 30, 2024.

Net cash provided from financing activities was \$5.11 million for the twelve months ended September 30, 2025 as compared to \$4.95 provided from financing activities for the twelve months ended September 30, 2024. For the twelve months ended September 30, 2025, \$5.11 million was raised through an equity financing.

EpicQuest Education – Operations Update

Our operations provide a diversified revenue stream that includes tuition and student service fees from our owned and operated colleges, Davis University and EduGlobal College, fees from our foundational programs located abroad, and revenue from our recruiting relationships with prominent universities. For fiscal 2025, approximately 25.0% of the Company's revenue was attributable to the English Language Center at the Regional Campuses of Miami University, 4.0% of its revenue was attributable to the foreign language and college-level education offered by EduGlobal College, and 71.0% of its revenue was attributable to the academic coursework and professional training programs offered by Davis University.

We also provide academic pathways through articulation agreements with universities to provide additional options for our students. We believe we have a positive and effective business model where students can individualize their academic journeys which provides students with a solid return on their educational investment.

Domestic Programs

Davis University ("Davis") provides academic coursework and practical educational programs that meaningfully connects to students who see our programs as an effective way to reach their career goals. Davis University offers Certificate programs and Associate degrees in an array of career training disciplines, a Bachelor of Science in Business program, and we have been approved by the State of Ohio and the Higher Learning Commission to offer a Master of Science in Management degree program.

As of September 30, 2025, Davis recorded an 85.0% increase in its international student enrollment in the first academic quarter of 2025 as compared to the same academic quarter in 2024. Davis enrolled 407 international students for the first academic quarter of 2025 compared with 220 international students that were enrolled in this same academic quarter in 2024. Further, this represents a 299% increase as compared to 102 international students who were enrolled at Davis in this same academic quarter in 2023. The substantial increase in international enrollment for the first academic quarter of 2025 includes 260 international students through agreements with Chongqing Technology and Business Institute, Guangdong Communications Polytechnic, and Shijiazhuang College of Applied Technology, as well as 147 international students through the Company's foundational programs.

EduGlobal College recruiting has been enhanced by its cooperative diploma programs. The co-op programs, which began for the Fall semester in September 2025, entail students alternating between attending academic semesters with working at paid, full-time jobs. We believe that this will enhance our domestic recruiting efforts since the co-op programs provide students with a great hybrid approach which helps students secure job offers upon graduation.

Miami University English Language Center at the Miami Regional Campuses enrollment is expected to rise. The English Language Program at Miami University Regionals offers international students the opportunity to enroll in an elite U.S. university with world-class facilities and an outstanding academic faculty. We have a recruitment relationship with the Miami University Regionals that began in 2013 where we offer 'one stop' services that include student housing, dining, transportation and supervision services among other services. The English Language Program continues to be a popular option for international students as it offers a pathway for both a Bachelor's degree and advanced university degrees. As of September 30, 2025, 55 students were enrolled in the program and as of January 20, 2026, 3 students have been confirmed to join the program.

International Foundational and Collaborative Programs:

Davis University's foundational programs have 220 students enrolled for the 2025-2026 academic year as compared to 102 students for the 2024-2025 academic year. We believe that Davis' two-year foundational programs secures sustainable revenue because the retention rate of students from the first to the second year is usually close to 100%. In addition to this representing a unique revenue stream for the Company, the foundational programs also create a pool of students to attend our owned and operated schools.

Davis' foundational program students are enrolled in elite universities. The foundational programs are currently offered on the main campuses of Peking University, Shanghai Jiao Tong University, the Beijing Institute of Technology, and the Shenzhen campus of the Chinese University of Hong Kong, all preeminent universities in China. The Company typically places its own instructors in these programs and collaborates on designing the academic programs for students.

In December 2025, Davis entered into a non-binding Memorandum of Understanding with The Lyceum Campus located in Sri Lanka to offer Davis' Masters of Science in Management Program. The arrangement opens doors to a key South Asia market that empowers students to earn Davis University degrees in their home country with greater affordability and flexibility, and marks a major milestone for Davis, opening up a new avenue for international expansion and fostering deeper academic exchange.

In May 2025, Davis entered into an Agency Agreement with MSM Unify, a leading international student recruiter. The agreement is intended to augment our international students from China and India with new students from Africa and the Middle East. We believe that this is a cost-effective strategy since MSM Unify has both the infrastructure and know-how to reach students and families in these high growth regions.

Davis' agreement with The Center of Advanced Studies could lead to a substantial increase in international student enrollment. Its agreement with The Center of Advanced Studies, based in Tokyo, Japan, establishes a pathway for international students from five Southeast Asian and South American colleges and universities to complete associate and bachelor's degrees in business at Davis University through the transfer of credits, which could start as soon as the Spring 2026 semester. It will also provide Davis with the opportunity to further expand its foundational programs which could create a sizeable international student recruiting pool.

EpicQuest Education's Strategy of Internationalization

Our strategic plan is to achieve sustainable growth through our strategy of internationalization which is a key element of our strategic growth plan. EpicQuest Education's owned and operated colleges, Davis University and EduGlobal College, have become increasingly focused on international recruiting and enrollment as it provides enhanced globalized learning to its students as well as pathways to achieve university degrees. The Company's foundational programs essentially export our academic programming at an affordable cost for students since they study in their home countries to gain the skills needed for study abroad while earning course credits prior to their attendance at our two institutions of higher learning. In addition, a vital component of EpicQuest Education's strategic growth plan is to become increasingly involved with international collaborations in order to leverage our distinct academic programming and unique culture of learning. The Company's mission is to achieve international expansion and establish EpicQuest Education as a renowned international service provider of higher learning.

About EpicQuest Education Group International Limited

EpicQuest Education Group International Limited ("EpicQuest Education" or the "Company") provides comprehensive education solutions for domestic and international students seeking university and college

degrees in the US, Canada and the UK. The Company owns and operates EduGlobal College, based in British Columbia, Canada, which focuses on English proficiency educational programming for students pursuing academic degrees. The Company operates and is a 70% owner of Davis University, a career training college located in Toledo, Ohio. In addition, the Company has a recruiting relationship with the Miami University Regional campuses, where it maintains residential facilities, a full-service cafeteria, recreational facilities, shuttle buses and an office for the regional campuses that provides study abroad and post-study services for its students; these facilities are not owned, maintained, operated or are a part of Miami University. The Company is also a recruiting agent for the University of the West of Scotland (through The Education Group (London) Ltd) and Coventry University, both of which are located in the UK. EpicQuest Education has also established a wholly owned subsidiary, Gilmore Inv LLC, in Ohio, that will offer international educational programs related to kinesiology and recreation education. The Company also established a company in Ohio, SouthGilmore LLC that has been formed to organize sports-related entertainment projects, which is 40% owned by Gilmore. For more information, please visit www.epicquesteducation.com/.

Safe Harbor Statement

Certain of the statements made in this press release are “forward-looking statements” within the meaning and protections of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, without limitation, statements regarding the Company’s future business plans, anticipated partnerships, expansion of educational programs, and expected outcomes of its activities. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the actual results, performance, capital, ownership or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as “may,” “will,” “anticipate,” “assume,” “should,” “indicate,” “would,” “believe,” “contemplate,” “expect,” “estimate,” “continue,” “plan,” “point to,” “project,” “could,” “intend,” “target” and other similar words and expressions of the future.

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our most recent Form 20-F and otherwise in our SEC reports and filings. Such reports are available upon request from the Company, or from the Securities and Exchange Commission, including through the SEC’s Internet website at <http://www.sec.gov>. We have no obligation and do not undertake to update, revise or correct any of the forward-looking statements after the date hereof, or after the respective dates on which any such statements otherwise are made.

FINANCIAL TABLES FOLLOW

EPICQUEST EDUCATION GROUP INTERNATIONAL LIMITED
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2025 and 2024
(US\$, except share data and per share data, or otherwise noted)

| | September 30, 2025 US\$ | September 30, 2024 US\$ |
|--|----------------------------------|----------------------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | 4,754,522 | 1,150,042 |
| Restricted cash | 338,712 | 338,712 |
| Accounts receivable, net | 492,897 | 85,279 |
| Other receivable | 2,131,402 | 576,215 |
| Prepaid expenses | 590,443 | 1,202,991 |
| Other prepaid for events | 7,500,023 | - |
| Inventory | 46,381 | 48,470 |
| Income tax receivable | 450,000 | 889,766 |
| Total current assets | 16,304,380 | 4,291,475 |
| Non-current assets | | |
| Property and equipment, net | 433,677 | 1,597,823 |
| Long-term prepaids | - | 7,500,023 |
| Intangible assets | 4,243,423 | 4,464,226 |
| Right-of-use assets | 2,141,754 | 2,785,008 |
| Goodwill | 2,652,772 | 2,652,772 |
| Total assets | 25,776,006 | 23,291,327 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Liabilities: | | |
| Current liabilities | | |
| Accounts payable and other liabilities | 1,952,161 | 3,233,471 |
| Loan payable | - | 409,956 |
| Income tax payable | 4,074 | 4,294 |
| Due to related party | 140,000 | 140,000 |
| Lease liabilities – current | 752,429 | 641,254 |
| Deferred revenue | 6,042,639 | 5,332,194 |
| Total current liabilities | 8,891,303 | 9,761,169 |
| Non-current liabilities | | |
| Loan payable | 409,956 | - |
| Lease liabilities – non current | 1,582,108 | 2,181,769 |
| Deferred income tax liabilities | 472,942 | 470,468 |
| Total liabilities | 11,356,309 | 12,413,406 |
| Commitments and contingencies | | |
| Shareholders' equity | | |
| Common shares, US\$0.0015873 par value, 970,000,000 ordinary shares and 10,000,000 preferred shares authorized, 23,396,667 and 13,113,173 ordinary shares issued and outstanding as of September 30, 2025 and 2024, respectively | 37,137 | 20,814 |
| Additional paid-in capital | 26,207,879 | 20,142,071 |
| Deficit | (17,387,799) | (14,958,678) |
| Accumulated other comprehensive loss | (49,545) | (35,803) |
| Total shareholders' equity | 8,807,672 | 5,168,404 |
| Non-controlling interests | 5,612,025 | 5,709,517 |
| Total liabilities and shareholders' equity | 25,776,006 | 23,291,327 |

EPICQUEST EDUCATION GROUP INTERNATIONAL LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED SEPTEMBER 30, 2025, 2024 AND 2023
(US\$, except share data and per share data, or otherwise noted)

| | September 30, 2025 <u>US\$</u> | September 30, 2024 <u>US\$</u> | September 30, 2023 <u>US\$</u> |
|---|---|---|---|
| Revenues | 8,939,989 | 8,153,546 | 5,712,480 |
| Costs of services | <u>3,014,119</u> | <u>2,840,112</u> | <u>1,502,255</u> |
| Gross profit | 5,925,870 | 5,313,434 | 4,210,225 |
| Operating costs and expenses: | | | |
| Selling expenses | 1,366,760 | 1,537,006 | 1,018,894 |
| General and administrative | <u>8,739,049</u> | <u>11,201,445</u> | <u>10,210,960</u> |
| Total operating costs and expenses | <u>10,105,809</u> | <u>12,738,451</u> | <u>11,229,854</u> |
| Loss from operations | (4,179,939) | (7,425,017) | (7,019,629) |
| Other (income) expenses: | | | |
| Other income | (1,619,373) | (495,276) | (186,137) |
| Interest income | (37,337) | (22,731) | (53,089) |
| Foreign exchange gain | - | - | (5) |
| Total other (income) expenses | <u>(1,656,710)</u> | <u>(518,007)</u> | <u>(239,231)</u> |
| Loss before provision for income taxes | (2,523,229) | (6,907,010) | (6,780,398) |
| Current income tax expense | 910 | 18,186 | 11,590 |
| Deferred income tax expense (recovery) | <u>2,474</u> | <u>(354,012)</u> | <u>(277,874)</u> |
| Income taxes expense (recovery) | <u>3,384</u> | <u>(335,826)</u> | <u>289,464</u> |
| Net loss | <u>(2,526,613)</u> | <u>(6,571,184)</u> | <u>(7,069,862)</u> |
| Net loss attributable to non-controlling interest | <u>(97,492)</u> | <u>(581,061)</u> | <u>(410,421)</u> |
| Net loss attributable to common stockholders | <u>(2,429,121)</u> | <u>(5,990,123)</u> | <u>(6,659,441)</u> |
| Unrealized foreign currency translation adjustment | <u>(13,742)</u> | <u>481</u> | <u>(7,345)</u> |
| Comprehensive loss | <u>(2,540,355)</u> | <u>(6,570,703)</u> | <u>(7,077,207)</u> |
| Basic & diluted net loss per share | (0.16) | (0.47) | (0.57) |
| Weighted average number of ordinary shares-basic and diluted | 15,486,467 | 12,637,968 | 11,655,642 |

EPICQUEST EDUCATION GROUP INTERNATIONAL LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2025, 2024 AND 2023
(US\$, except share data and per share data, or otherwise noted)

| September 30, 2025 <u></u> | September 30, 2024 <u></u> | September 30, 2023 <u></u> |
|-------------------------------------|-------------------------------------|-------------------------------------|
|-------------------------------------|-------------------------------------|-------------------------------------|

| | US\$ | US\$ | US\$ |
|---|--------------------|--------------------|--------------------|
| Cash Flows from Operating Activities: | | | |
| Net loss | (2,526,613) | (6,571,184) | (7,069,862) |
| Adjustments for items not affecting cash: | | | |
| Depreciation and amortization | 409,899 | 425,763 | 407,013 |
| Share-based compensation | 972,879 | 1,977,187 | 2,061,810 |
| Provision for accounts receivable | 67,519 | - | - |
| Net gain from disposal of fixed assets | (480,235) | (477,115) | - |
| Impairment of goodwill | - | - | 14,038 |
| Gain from settlement of student deposit refunds with Renda | (1,200,000) | - | - |
| Deferred income tax expense | 2,474 | (354,012) | 277,874 |
| Changes in operating assets and liabilities | | | |
| Accounts receivable and other receivable | (2,030,324) | (414,866) | 217,407 |
| Prepaid expenses | 612,548 | 1,020,250 | (1,323,593) |
| Long-term prepaids | - | (7,500,023) | - |
| Operating lease – lease liabilities and right of use assets | 154,768 | 25,064 | (45,022) |
| Inventory | 2,089 | (7,285) | (21,170) |
| Accounts payable & accrued liabilities | (81,311) | 1,112,423 | (212,817) |
| Deferred revenue | 710,445 | 1,274,677 | 233,493) |
| Income tax receivable | 439,547 | 7,399 | 254,342 |
| Student deposits | - | - | (46,040) |
| Net cash used in operating activities | <u>(2,946,315)</u> | <u>(9,481,722)</u> | <u>(5,252,527)</u> |
| Cash Flows from Investing Activities: | | | |
| Purchase of property and equipment | (292,842) | (40,343) | (14,231) |
| Share buyback | - | - | (1,250,007) |
| Acquisition of additional interest in subsidiary | - | - | (187,505) |
| Net cash acquired from business acquisitions | - | - | 574,108 |
| Proceeds from sale of fixed assets | 1,748,128 | 757,115 | - |
| Net cash provided from (used in) investing activities | <u>1,455,286</u> | <u>716,772</u> | <u>(877,635)</u> |
| Cash Flows from Financing Activities: | | | |
| Long term investment received for Gilmore | - | 3,737,727 | - |
| Share issuances, net of issuance costs | 5,109,250 | 800,000 | - |
| Proceeds borrowed from third party | - | 409,956 | - |
| Net cash provided from financing activities | <u>5,109,250</u> | <u>4,947,683</u> | <u>-</u> |
| Effect of exchange rate changes on cash and cash equivalents | (13,741) | 470 | (7,346) |
| Net increase/(decrease) in cash, cash equivalents | <u>3,604,480</u> | <u>(3,816,797)</u> | <u>(6,137,508)</u> |
| Cash and cash equivalents and restricted cash, beginning of year | <u>1,488,754</u> | <u>5,305,551</u> | <u>11,443,059</u> |
| Cash and cash equivalents and restricted cash, end of year | 5,093,234 | 1,488,754 | 5,305,551 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION: | | | |
| Interest paid | | | |
| Income taxes paid | 1,130 | 10,787 | 10,575 |
| Non-cash investing activities – acquisition of operating lease right-of-used assets | 120,773 | 2,267,597 | 561,247 |
| Non-cash investing activities – assumption of operating lease obligation | 120,759 | 2,238,099 | 572,564 |

The accompanying notes as filed in the Company's 20-F for fiscal 2025 form an integral part of these consolidated financial statements.

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