



EpicQuest Education Announces First Half Fiscal Year 2026 Financial Results

*Revenue Rises a Solid 17% Despite Industry Challenges;
New AI EdTech and Expansion Initiatives Position EEIQ for Future Growth*

TOLEDO, Ohio, June 25, 2026 /Globe Newswire/ -- EpicQuest Education Group International Limited (NASDAQ: EEIQ), (“EpicQuest Education”, “EEIQ” or the “Company”), a provider of comprehensive education and EdTech solutions for international and domestic students seeking college and university degrees in the US, Canada and the UK, today announced its first half financial results for the six months ended March 31, 2026.

“We are pleased to announce 17% revenue growth for the first half of fiscal 2026 driven by the continued expansion of our foundational and collaborative programs delivered in students’ home countries. These programs are designed to prepare students for academic study abroad and have proven to be tremendously successful. Our strategic focus on internationalization remains a powerful growth engine, further strengthened by agreements with leading universities worldwide,” commented Jianbo Zhang, CEO of EpicQuest Education.

“It is estimated that more than 100 colleges have closed or merged over the past two academic years due to financial pressures, shifting demographics and skepticism about the value of a college degree. However, EpicQuest Education has bucked the trend, having grown its first half year-over-year revenue 51% since fiscal 2024. Our mission is to deliver results-driven, globally accessible learning experiences that empower students to earn Bachelor’s and Master’s degrees to secure high-quality careers.”

“Looking ahead, we are exploring new partnerships in the US and key international markets to broaden our academic pathways for our students. At the same time, we are pursuing new business initiatives that we believe will propel our growth and become sources of future revenue. This includes the development of an AI-powered platform to enhance student engagement and tutoring through the essential integration of human interaction with AI technology. We are also progressing on plans to establish Davis University branch campuses beginning in the US to expand enrollment and provide more options for our international students. We believe that our unique value proposition delivers highly positive outcomes for students as well as long-term returns for our shareholders.”

First Half 2026 Financial Results Ended March 31, 2026

Revenues were \$6.27 million for the first half of fiscal 2026 compared to \$5.37 million for the first half of fiscal 2025, an increase of \$0.90 million, or 16.8%. The rise in revenue was mainly due to the increase in the international foundational and collaborative programs that are offered by Davis University, and the resulting increase in international student enrollment.

Gross profit was \$3.63 million for the first half of fiscal 2026 compared to \$3.42 million for the same period of 2025, an increase of \$0.22 million, or 6.3%. The increase was primarily due to the 16.8% increase in revenue in the current period which was offset by the increase in costs of services of 35.2% for the first half of fiscal 2026 compared to the same period of 2025. This margin contraction was primarily due to lower student occupancy rates within dormitory services which reduced fixed-cost absorption, as well as higher agent recruiting fees incurred to launch a new academic program.

Operating Expenses were \$6.08 million for the first half of fiscal 2026 compared to \$5.38 million for the same period of 2025, an increase of \$0.70 million, or 13.0%. The increase was due to a 12.7% increase in general and administrative expenses to \$5.08 million in the current period from \$4.51 million for the same period of 2025, and a 14.7% increase in selling expenses in the current period to \$1.00 million from \$0.87 million for the same period of 2025. The increase

in general and administrative expenses was mainly due to non-cash expenses attributable to share-based compensation granted to directors, officers and employees. Selling expenses include student recruitment commissions paid to agents who provide student recruitment services and expenses related to business development.

Operating loss was \$2.45 million for the first half of fiscal 2026 compared to an operating loss of \$1.96 million for the same period of 2025, representing an increase of \$0.49 million, or 24.8%. The increase in operating loss was primarily due to the 35.2% increase in costs of services in the current period as compared to the same period of 2025.

Net loss was \$3.16 million for the first half of fiscal 2026 compared to a net loss of \$0.16 million for the same period of 2025 due to the factors discussed above and the following events: (1) an expense of \$0.6 million in the current period attributable to an expected reduction in revenue from soccer matches; and (2) a \$1.9 million gain from the sale of fixed assets in the year-ago period.

Net Loss Per Basic and Diluted Share for the first half of fiscal 2026 was \$1.92 compared to a net loss of \$0.28 per basic and diluted share for the same period of 2025. The weighted average number of shares used in the computation of basic and diluted earnings per share for the first half of 2026 was 1,470,812 shares compared to 827,060 shares for basic and diluted earnings per share in the prior year period. All share and per share information has been retroactively adjusted to give effect to the 1-for-16 reverse stock split effected on February 17, 2026.

Financial Condition

As of March 31, 2026, the Company had \$0.31 million in cash and cash equivalents, a decrease of \$4.45 million as compared to \$4.75 million as of the fiscal year end of September 30, 2025. Subsequent to the end of the first six months of fiscal 2026, the Company raised \$0.6 million less offering expenses (for more information, see 'Subsequent Event' below). As of March 31, 2026, working capital was \$5.59 million (current assets minus current liabilities) and the current ratio (current assets divided by current liabilities) was 1.91, as compared to working capital of \$7.41 million and a current ratio of 1.83 as of September 30, 2025. Stockholders' equity as of March 31, 2026 was \$7.25 million, a decrease of \$1.56 million as compared to \$8.81 million as of September 30, 2025.

Liquidity and Capital Resources

Net cash used in operating activities for the six months ended March 31, 2026 was \$4.09 million, compared to net cash used in operating activities of \$2.29 million for the six months ended March 31, 2025, representing a \$1.80 million increase in the net cash outflow. This increase was primarily due to the \$3.00 million increase in net cash outflow resulting primarily from the net loss of \$3.16 million for the six months ended March 31, 2026 as compared to a net loss of \$0.16 million for the comparable year-ago period.

Net cash used in investing activities was \$0.02 million for the six months ended March 31, 2026, which was for the purchase of furniture and fixtures. Net cash generated in investing activities was \$1.50 million for the six months ended March 31, 2025, which represented the proceeds from the sale of a real estate property.

Net cash used by financing activities was \$0.35 million for the six months ended March 31, 2026 which represented the loan repayment to a third-party; for the six months ended March 31, 2025, the Company had net cash provided by financing activities of \$nil.

New EpicQuest Education Initiatives

High School Acceleration and Pathway Programs. Davis University recently entered into agreements with four Canadian high schools where students can enter into accelerated university pathway programs by enrolling in Davis' first-year online Bachelor of Science in business courses. This is a new revenue stream for the Company, and it also represents a recruitment pool for its full-time Davis degree programs. We believe that experiencing the rigor of college-level academics and the ability to transfer college credits to Davis' partner universities represents a compelling opportunity for the high school student cohort. We will continue to engage with high schools in the US, Canada, and abroad to further develop this new growth segment for the Company.

New EdTech Capabilities Harnessing the Power of AI. We are committed to be a leader in AI and its application for higher education since we believe that AI can empower student achievement. However, we firmly believe that this has to be a blended approach of both AI and traditional teaching since the human connection is extremely important with AI. We are currently beta-testing advanced AI capabilities that will provide 24/7 personalized tutoring, specific coursework support, and language assistance. A key to our AI model is to proactively understand how each individual student learns and to customize our generative AI model based on each student’s learning behavior. Importantly, we are designing our AI model with policies that are aligned with our education values which include data privacy, wide integration capabilities, and mandatory training. We plan to launch our AI learning tool for the Fall 2026 semester.

Extending our Academic Reach through Branch Campuses. We plan to develop branch campuses of Davis University in different cities in the US and abroad. These campuses will offer select academic programs, maintain its academic standards and will award the University’s degrees. We believe that this will increase our overall enrollment while reaching underserved areas with our unique approach to providing a broad spectrum of career-oriented courses and individualized academic journeys for students. Further, the increasing success of our foundational programs abroad prioritizes the development of a US branch campus in order to increase options for international students to study in the US. We plan to launch our first US branch campus for the Spring 2027 semester.

Subsequent Event

On May 6, 2026, the Company closed on a private placement with certain accredited investors for the sale of (i) 150,000 ordinary shares, and (ii) warrants to purchase up to an aggregate of 600,000 ordinary shares. The combined purchase price of one ordinary share and the accompanying warrants was \$4.00. Subject to certain ownership limitations, the warrants are exercisable into one ordinary share at a price of \$4.80 which will expire in one year from the date of issuance.

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 in Toledo and Davis Academy in Vancouver, 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 needed for attendance at our two institutions of higher learning as well as top universities. A vital component of EpicQuest Education’s strategic growth plan is to become increasingly involved with international collaborations in order to leverage our academic programming and unique culture of learning. Through its strategy of internationalization expansion, EpicQuest Education is establishing itself 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 Davis Academy a/k/a 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. 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, the ability of the Company to

achieve the enrollment goals outlined and the ability of the Company to achieve meaningful future revenue increases. 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
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2026 AND SEPTEMBER 30, 2025
(US\$, except share data and per share data, or otherwise noted)

	March 31,	September 30,
	2026	2025
	US\$	US\$
	(Unaudited)	
Assets		
Current Assets		
Cash and cash equivalents	306,941	4,754,522
Restricted cash	338,712	338,712
Accounts receivable, net of credit loss allowance of \$nil and \$nil	133,415	492,897
Other receivable	1,701,385	2,131,402
Prepaid expenses	1,517,070	590,443
Other prepaid for events	7,200,023	7,500,023
Inventory	43,248	46,381
Income tax receivable	450,000	450,000
Total current assets	11,690,794	16,304,380
Non-current assets		
Property and equipment, net	357,910	433,677
Intangible assets	4,130,211	4,243,423
Right-of-use assets	2,087,637	2,141,754
Goodwill	2,652,772	2,652,772
Total assets	20,919,324	25,776,006
LIABILITIES AND SHAREHOLDERS’ EQUITY		
Liabilities:		
Current liabilities		
Accounts payable and other liabilities	3,014,128	1,952,161
Loan payable	59,956	-
Income tax payable	4,074	4,074

Due to related party	140,000	140,000
Lease liabilities – current	629,693	752,429
Deferred revenue	2,257,873	6,042,639
Total current liabilities	6,105,724	8,891,303
Non-current liabilities		
Loan payable	-	409,956
Lease liabilities – non current	1,698,150	1,582,108
Deferred income tax liabilities	584,524	472,942
Total liabilities	8,388,398	11,356,309
Shareholders' equity		
Common shares, US\$0.0256 par value, 60,625,000 ordinary shares and 625,000 preferred shares authorized, 1,496,623 and 1,462,271 ordinary shares issued and outstanding as of March 31, 2026 and September 30, 2025, respectively*	38,010	37,137
Additional paid-in capital	27,466,043	26,207,879
Accumulated Deficit	(20,217,930)	(17,387,799)
Accumulated other comprehensive loss	(36,275)	(49,545)
Total shareholders' equity	7,249,848	8,807,672
Non-controlling interests	5,281,078	5,612,025
Total equity	12,530,926	14,419,697
Total liabilities and equity	20,919,324	25,776,006

*All share and per share information presented herein has been retroactively adjusted to give effect to the reverse stock split effected on February 17, 2026.

EPICQUEST EDUCATION GROUP INTERNATIONAL LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE SIX MONTHS ENDED MARCH 31, 2026 AND 2025
(US\$, except share data and per share data, or otherwise noted)

	March 31, 2026	March 31, 2025
	US\$	US\$
	(Unaudited)	(Unaudited)
Revenues	6,270,951	5,367,405
Costs of services	2,638,887	1,951,235
Gross profit	3,632,064	3,416,170
Operating costs and expenses:		
Selling expenses	997,560	869,378
General and administrative	5,083,391	4,509,893
Total operating costs and expenses	6,080,951	5,379,271
Loss from operations	(2,448,887)	(1,963,101)
Other (income) expenses:		
Other (income) expenses	606,857	(1,890,840)
Interest income	(6,248)	(2,673)
Total other (income) expenses	600,609	(1,893,513)
Loss before provision for income taxes	(3,049,496)	(69,588)

Current income tax expense	-	8,570
Deferred income tax expense	111,582	78,001
Income taxes expense	<u>111,582</u>	<u>86,571</u>
Net loss	<u>(3,161,078)</u>	<u>(156,159)</u>
Net income (loss) attributable to non-controlling interest	(330,947)	75,783
Net loss attributable to common stockholders	<u>(2,830,131)</u>	<u>(231,942)</u>
Unrealized foreign currency translation adjustment	13,270	(18,844)
Comprehensive loss	<u>(3,147,808)</u>	<u>(175,003)</u>
Basic & diluted net loss per share*	(1.92)	(0.28)
Weighted average number of ordinary shares-basic and diluted*	1,470,812	827,060

* All share and per share information presented herein has been retroactively adjusted to give effect to the reverse stock split effected on February 17, 2026.

EPICQUEST EDUCATION GROUP INTERNATIONAL LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED MARCH 31, 2026 AND 2025
(US\$, except share data and per share data, or otherwise noted)

	March 31, 2026 US\$ (Unaudited)	March 31, 2025 US\$ (Unaudited)
Cash Flows from Operating Activities:		
Net loss	(3,161,078)	(156,159)
Adjustments for items not affecting cash:		
Depreciation and amortization	205,953	201,635
Share-based compensation	1,259,037	430,356
Net gain from disposal of fixed assets	-	(665,389)
Gain from settlement of student-deposit refunds with Renda	-	(1,200,000)
Impairment loss on football match	600,000	-
Deferred income tax expense	111,582	78,001
Changes in operating assets and liabilities		
Accounts receivable and other receivable	789,499	(85,400)
Prepaid expenses	(926,627)	751,507
Operating lease – lease liabilities and right of use assets	47,421	90,190
Inventory	3,133	3,739
Accounts payable & accrued liabilities	761,967	1,238,366
Deferred revenue	(3,784,766)	(3,338,565)
Income tax receivable	-	356,862
Net cash used in operating activities	<u>(4,093,879)</u>	<u>(2,294,857)</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(16,974)	-
Proceeds from sale of fixed assets	-	1,498,000
Net cash (used in) provided from investing activities	<u>(16,974)</u>	<u>1,498,000</u>
Cash Flows from Financing Activities:		
Loan repayment to third party	(350,000)	-
Net cash used in financing activities	<u>(350,000)</u>	<u>-</u>

Effect of exchange rate changes on cash and cash equivalents	13,272	(18,844)
Net decrease in cash, cash equivalents	(4,447,581)	(815,701)
Cash and cash equivalents and restricted cash, beginning of year	5,093,234	1,488,754
Cash and cash equivalents and restricted cash, end of period	645,653	673,053

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:

Non-cash investing activities - modification of operating lease right-of-use asset	18,814	-
Non-cash investing activities - modification of operating lease obligation	18,814	-
Non-cash investing activities – acquisition of operating lease right-of-use assets	347,970	-
Non-cash investing activities – assumption of operating lease obligation	347,970	-

For additional information, please see Form 6-K as filed with the SEC as the accompanying notes form an integral part of these condensed financial statements.

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Source: EpicQuest Education Group International Limited

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