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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: December 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from [ ] to [ ]

Commission file number: 001-34211

GRAND CANYON EDUCATION, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-3356009**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

2600 W. Camelback Road, Phoenix, Arizona 85017
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (602) 247-4400

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	LOPE	Nasdaq Global Select Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act). Yes ☐ No ☒

The total number of shares of common stock outstanding as of February 14, 2025 was 28,724,845.

As of June 28, 2024, the last business day of the registrant's most recently completed second fiscal quarter, the registrant's common stock was listed on the NASDAQ Global Market. As of June 28, 2024, the aggregate market value of the registrant's common stock held by non-affiliates was approximately $4.1 billion.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's Definitive Proxy Statement for its 2025 Annual Meeting of Stockholders (which is expected to be filed with the Commission within 120 days after the end of the registrant's 2024 fiscal year) are incorporated by reference into Part III of this Report.

GRAND CANYON EDUCATION, INC.

FORM 10-K

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Special Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K, including Item 1, *Business*; Item 1A, *Risk Factors*; and Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, contains certain "forward-looking statements," within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements include, without limitation, statements regarding: proposed new programs; statements as to whether regulatory developments or other matters may or may not have a material adverse effect on our financial position, results of operations, or liquidity; statements concerning projections, predictions, expectations, estimates, or forecasts as to our business, financial and operational results, and future economic performance; and statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts. Words such as "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar expressions, as well as statements in future tense, identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions of management.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause our actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements, include, but are not limited to:

- legal and regulatory actions taken against us related to our services business, or against our university partners that impact their businesses and that directly or indirectly reduce the service revenue we can earn under our master services agreements;
- the occurrence of any event, change or other circumstance that could give rise to the termination of any of the key university partner agreements;
- our ability to properly manage risks and challenges associated with strategic initiatives, including potential acquisitions or divestitures of, or investments in, new businesses, acquisitions of new properties and new university partners, and expansion of services provided to our existing university partners;
- our failure to comply with the extensive regulatory framework applicable to us either directly as a third-party service provider or indirectly through our university partners, including Title IV of the Higher Education Act and the regulations thereunder, state laws and regulatory requirements, and accrediting commission requirements, and the results of related legal and regulatory actions that arise from such failures;
- the harm to our business, results of operations, and financial condition, and harm to our university partners resulting from epidemics, pandemics, or public health crises;
- the harm to our business and our ability to retract and retain students resulting from capacity constraints, system disruptions, or security breaches in our online computer networks and phone systems:
- the ability of our university partners' students to obtain federal Title IV funds, state financial aid, and private financing;
- potential damage to our reputation or other adverse effects as a result of negative publicity in the media, in the industry or in connection with governmental reports or investigations or otherwise, affecting us or other companies in the education services sector;
- risks associated with changes in applicable federal and state laws and regulations and accrediting commission standards, including pending rulemaking by the United States Department of Education ("ED") applicable to us directly or indirectly through our university partners;
- competition from other education service companies in our geographic region and market sector, including competition for students, qualified executives and other personnel;
- our expected tax payments and tax rate;
- our ability to hire and train new, and develop and train existing employees;

- the pace of growth of our university partners' enrollment and its effect on the pace of our own growth;
- fluctuations in our revenues due to seasonality;
- our ability to, on behalf of our university partners, convert prospective students to enrolled students and to retain active students to graduation;
- our success in updating and expanding the content of existing programs and developing new programs in a cost-effective manner or on a timely basis for our university partners;
- risks associated with the competitive environment for marketing the programs of our university partners;
- failure on our part to keep up with advances in technology that could enhance the experience for our university partners' students;
- our ability to manage future growth effectively;
- the impact of any natural disasters or public health emergencies;
- general adverse economic conditions or other developments that affect the job prospects of our university partners' students; and
- other factors discussed under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," and "Regulation."

Forward-looking statements speak only as of the date the statements are made. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Part I

Item 1. *Business*

Overview

Grand Canyon Education, Inc., a Delaware corporation ("GCE" or the "Company") is a publicly traded education services company dedicated to serving colleges and universities. GCE has developed significant technological solutions, infrastructure and operational processes to provide services to these institutions on a large scale. GCE's most significant university partner is Grand Canyon University ("GCU"), an Arizona non-profit corporation that operates a comprehensive regionally accredited university that offers graduate and undergraduate degree programs, emphases and certificates across ten colleges both online and on ground at its campus in Phoenix, Arizona and at eight off-campus classroom and laboratory sites. As of December 31, 2024, GCE provided education services and support to approximately 127,150 students with more than 123,100 students enrolled in GCU's programs, emphases and certificates.

We also provide education services to numerous university partners across the United States. In the healthcare field, we work in partnership with universities and healthcare networks across the country, offering healthcare-related academic programs at off-campus classroom and laboratory sites located near healthcare providers and developing high-quality, career-ready graduates who enter the workforce ready to meet the demands of the healthcare industry. In addition, we have provided certain services to a university partner to assist them in expanding their online graduate programs. As of December 31, 2024, GCE provides education services to 22 university partners across the United States.

We seek to add additional university partners and to introduce additional programs with both our existing partners and with new partners. We may engage with both new and existing university partners to offer healthcare programs, online only or hybrid programs, or, as is the case for our most significant partner, GCU, both healthcare and other programs. We do disclose significant information for GCU, such as enrollments, due to its size in comparison to our other university partners.

Our Business

GCE is an education services company with 22 university partners as of December 31, 2024. We have invested more than $345 million in the last 16 years in technology which includes the cost to develop systems that automate key processes and enable us to scale these processes to hundreds of thousands of students. GCE is capable of supporting not just core academic functions, technology and marketing but many additional key processes that surround those functions, such as faculty recruiting and training, admissions, financial aid, accounting, and technical support. We provide these services to our university partners pursuant to master services agreements that define the scope of our engagement, the types of services provided and other key terms of the engagement. Our investments also include the cost to build our off-site classroom and laboratory sites (including the specialized equipment) that are used by our university partners to educate healthcare students.

Suite of Services

The following describes the various services that we are capable of providing to university partners. Services actually provided to a given university partner depend upon the nature of programs supported by GCE, existing university infrastructure, and university partner preferences.

Technology and Academic Services

We provide technology and academic services that can include the ongoing maintenance of our university partners' educational infrastructure, including online course delivery and management, student records, assessment, customer relations management and other internal administrative systems. These services can also include curriculum conversion, support for content development, support for faculty and related training and development, technical support, rent and occupancy costs for university partners' simulation and skills labs, and assistance with state regulatory compliance. We have established secure, reliable and scalable technology systems that provide a high-quality educational environment and that give us the capability to grow our university partners' programs and enrollment.

Technology Services may include the following:

- Learning Management System ("LMS") - GCE designed and offers to its university partners its own proprietary LMS, called Halo. All of GCU's students, online and ground use this LMS. The basic functionality includes an interactive course syllabus, discussion questions and forums, instruction interaction, class quizzes, group assignments, written assignment submission and rubrics, grading, participation, attendance and integration with our student information system. The functions in Halo have been reimagined to work more intuitively with new user interface design and more seamless ways of accomplishing the same tasks. Halo was designed as a "cloud native" application taking advantage of all the performance and reliability features of the cloud. Halo supports small classes that are instructor led, highly interactive and collaborative. Rich content that originates from a myriad of sources, including direct advisement from industry, is coupled with a robust discussion environment. Students most often respond to the content and discussion through written work. The writing assignments are designed to promote critical thinking which is often connected to solving real world problems. This platform can easily and reliably scale as student populations increase. The platform provides in-depth analytics that allow us to closely monitor student success and the quality of instructional resources. GCE also designed its previous learning management system, LoudCloud which GCU used prior to HALO.
- Internal administration - We utilize a commercial customer relations management development platform to distribute, manage, track, and report on all interactions with prospective student leads as well as all active and inactive students. This software is scalable to capacity levels well in excess of current requirements. We also utilize a commercial software package to track Title IV funds, student records, grades, accounts receivable, accounts payable and general ledger. We have done significant internal software development around these systems to increase the productivity of our employees and provide students an exceptional educational experience.
- Infrastructure - We operate two data centers, one at GCU's campus and one at another Phoenix-area location. Our infrastructure supports IT for GCE and we can provide it for our customers. All of our servers are networked, and we have redundant data backup. We manage our technology environment internally. Our wide area network is fully redundant to ensure maximum uptime, bandwidth capacity and network performance. Student access is load balanced for optimal performance. Real-time monitoring provides current system status across network, server, and storage components. We provide cybersecurity services, support and incident response for all infrastructure and software that we utilize.
- Support - We provide 18/7 technical support for students and faculty. There are two systems utilized by GCE to provide these services.

Academic Services may include the following:

- Program and Curriculum – GCE has a curriculum content department that provides design and conversion services to our university partners. In collaboration with our university partners, we assist with the program and course design by providing curricular assistance and recommendations with respect to content and techniques that make use of the available technologies and methods embodied in the learning management system. GCE developed a proprietary system to support these services.
- Faculty and Related Training and Development – GCE provides faculty support including recruitment, training and oversight services to its university partners. Under the direction of our university partners and their academic leadership, we recruit and screen candidates, and schedule faculty based on university partner-created requirements. We evaluate all faculty according to university partner standards and provide evaluation results, if requested. Many of the health sciences specific faculty development resources are accredited by the International Association for Continuing Education and Training and the American Nurses Credentialing Center allowing faculty to earn continuing education credits.
- Class Scheduling – GCE has a class scheduling department and has developed a proprietary system to provide these services to our university partners. Our scheduling software provides students the ability to set their class schedule and flexibility to make changes and create opportunities to complete

courses in a myriad of online or onsite options. We optimize class size prior to course starts based on university partner standards, in order to maximize class resources and faculty utilization.

- Skills and Simulation Lab Sites – GCE secures, develops and finances off-campus classroom and laboratory sites for use in various programs offered by our university partners, including the accelerated Bachelor of Science in Nursing (ABSN). Off-campus classroom and laboratory sites are branded for specific university partners and all classrooms, faculty, counselors, staff and specialized equipment are centralized and made accessible to every university partner student. The laboratories contain the latest in skills and simulation learning technology; including computer-based scenarios, hands-on work with physical simulators and internally developed Mixed Reality with state-of-the-art technology, which help students gain unique experiences in an alternative clinical setting.

Counseling Services and Support

We provide counseling services and support including one-on-one admissions, schedule and financial counseling and other support for prospective and current students of our university partners. We offer financial aid processing as well.

Counseling Services and Support may include the following:

- Admissions Services – GCE provides prospective students with transparent information on program requirements, finance options, degree time to completion and net price calculator results in alignment with university partners' standards. GCE has developed a robust proprietary system to efficiently evaluate transcripts and build schedules for prospective students. GCE processes applications in alignment with university partners' admission standards and provides reports on those students selected for admission.
- Financial Aid – GCE provides financial aid services, including awarding, certifying, originating and disbursing Title IV program funds to students. We deliver Title IV program credit balance refunds to students, process return of Title IV program funds to the federal government when appropriate and provide financial aid counseling and entrance and exit loan counseling to students. Additionally, we prepare required reports, including but not limited to enrollment reporting to the National Student Loan Data system and the Integrated Postsecondary Education Data System. Additionally, GCE has built a proprietary system called the Financial Transparent Degree Plan Calculator, which provides students the cost of their entire program.
- Counseling Services – GCE provides proactive services to our university partners' students throughout their matriculation such as schedule building, and financial aid counseling. We provide students an assigned advisor who proactively works with students throughout their matriculation process. We assist students with program changes and communicate with those students throughout their program to help with retention. We provide students with the ability to access a variety of administrative services both telephonically and via the Internet. For example, students can apply for financial aid, pay their tuition, order their transcripts, and apply for graduation online. We believe this online accessibility provides the convenience and self-service capabilities that students value. GCE assesses levels of satisfaction using student surveys.
- Field Experience Counseling – For university partner students pursuing programs that lead to external credentials (e.g., teaching, nursing, counseling, social work, theology, etc.), GCE leverages a growing nationwide network of approved healthcare facilities, schools, preceptors, and supervisors to ensure that all students are able to meet program-specific requirements. Each student is assigned a counselor before or during their first course, and several prescribed appointments with their counselor are scheduled throughout the student's program to ensure that all state-specific progression requirements are met well in advance of deadlines. GCE assists in gathering all required documentation, verifying it as official, and storing it as part of the student's record.

Marketing and Communication

We provide marketing and communication services that include lead acquisition, digital communication strategies, brand identity advertising, media planning and strategy, video, data science and analysis and other promotional and communication services.

GCE's marketing leadership team approaches the marketplace with an outlook that applies the latest advancements in integrated marketing strategy and new and emerging technologies while leveraging GCE's buying power. This methodology embraces proven traditional and online solutions that are developed in conjunction with our university partners.

Marketing and Communication services may include the following:

- Lead Acquisition – GCE's marketing team employs experts across a wide breadth of digital marketing channels. These include Search Engine Optimization, Search Engine Marketing, Social Media Optimization, organic content and strategic acquisition funnels across a variety of mobile markets.
- Digital Communications Strategy – GCE's subject matter experts utilize best-in-class technologies through marketing automation, integrated email, SMS text messaging and social media. GCE develops effective communication strategies that encompass the entire student lifecycle from prospect through alumni.
- Brand Identity – GCE's award-winning team of specialists have proven track records of developing strong brands and ensuring the right image is exposed to the consumer. GCE specializes in storytelling shaped by logo creation, positioning taglines, campaign and content development, custom music, and sonic branding.
- Media Planning and Strategy –GCE offers full-service media planning and strategies that are built to grow sophisticated brands through traditional and digital media platforms. GCE understands today's culture and how content is consumed in the everchanging world of media. GCE creates robust strategies that build long lasting connections with proven results.
- Video – GCE's team of in-house video experts specialize in high-quality content expanding across a wide variety of marketing channels. Capabilities include broadcast-quality commercials, explainer videos, mini- and full-length documentaries, original programming, animations, motion graphics, and short, stackable video content for a variety of social media channels. GCE enhances its internal team with preferred partners to help offset workload and provide scalability of production requirements.
- Business Intelligence and Data Science – GCE employs a team of in-house data analysis professionals who apply descriptive and prescriptive analytics to help understand the marketplace and facilitate important business decisions. GCE specializes in all aspects of data analytics and science, including predictive modeling, data mining and visualization to enrich today's technology and data-driven marketplace, while providing the information required for success.
- Market Research – GCE's market research professionals survey market, population and job data for various locations across the country in order to make data-driven recommendations for new sites, partnerships, and educational offerings that will maximize reach and impact and provide education and career training to the areas where it will be most impactful.

Back-Office Services

In addition, we currently provide certain requested back-office services to GCU that include finance, human resources, audit, and other corporate functions.

- *Finance and accounting* - Finance and accounting services include administration of payroll, accounts payable, general ledger, student accounting, financial reporting, budgeting and taxes at the direction of GCU.
- *Human Resources* - Human resources services include administration of performance management, personnel policies, recruitment and onboarding of new personnel, and benefit plan design and procurement, among others.
- *Audit* - Audit services include development and administration of a GCU approved annual internal audit plan and execution of the audit plan for the service period.
- *Procurement* - Procurement services include management of purchasing and vendor relationships, including travel services, review of vendor contracts, and maintenance of contracts in the procurement system.

Social Responsibility and Human Capital Development

Social responsibility and human capital development are a significant focus of the Company. Our efforts are led by our Chief Executive Officer and a portion of his compensation is tied to our success in these areas. To this end, our business was created and continues to evolve to meet the needs of the local community in which we operate as well as those outside our community. We started by identifying what we believe to be the educational challenges that our country is facing and then worked to find solutions to these challenges. We believe these challenges include:

- University education is too expensive;
- Students are taking on too much debt;
- Bachelor's degrees are taking too long to complete;
- Programs are not targeted enough toward careers. Recent surveys show that a large percentage of college students would change majors if starting over, and a significant number of recent graduates are under employed or are in jobs that don't required degrees;
- As tuition increases, diversity decreases;
- Universities have inadequate counseling and support services, especially for distance learners;
- Most university professors have no formal training in teaching, learning or course design;
- Universities are under significant financial pressure, which has only been enhanced due to the pandemic and a declining number of high school graduates attending college.

We provide the capital, technology and expertise to our university partners to lessen the challenges in each of the areas listed above (see *Item 1. Business – Suite of Services*). We work with these university partners to develop educational models that allow them the ability to decrease tuition or increase scholarships to their students which will often lower the debt their students incur. We work with our university partners and thousands of high schools across the country on dual credit, online prerequisite courses and other programs that shorten the time to completion thereby lowering cost and debt levels. We focus with our university partners and their local communities to develop programs where there are skills shortages such as healthcare, teacher education, science, technology, engineering and math. GCE provides expanded academic counseling services and support to the students of our university partners which has proven to increase retention and completion. Our faculty services and curriculum development teams assist not only our university partners but other universities and K12 schools in improving their online education pedagogy. And our business model has helped our university partners as changes in the educational landscape has put pressure on their financial condition.

GCE is committed to hiring policies and practices that identify the most qualified candidate for a given position. We believe that we must have the best talent, including employees who possess a diverse range of experiences, backgrounds and skills, in order to anticipate and meet the needs of our business and those of our university partners. We provide employees with training, development, and educational resources that promote learning and lead to real career advancement opportunities. We believe that our success in attracting, retaining, and developing human capital is directly correlated to our ability to provide employees both an interesting and engaging work experience as well as opportunities for meaningful involvement in the surrounding community. Our employees take advantage of these opportunities and share our commitment to and enthusiasm for community service projects, as well as charitable organizations throughout the Phoenix area. Through these activities, our employees have the opportunity to volunteer and provide servant leadership that benefits the surrounding neighborhoods and West Phoenix community.

Employee Learning and Development (ELD) Services – We provide learning and development support to our employees through numerous ELD initiatives. Onboarding Programs provide new employees a foundation from which one can progress in his or her career at GCE. Leadership Development, Team Development, Advanced Skills, and Self-Development Programs help employees improve their skills, assist management in identifying potential talent for leadership roles, and support those employees already in leadership roles. Finally, our Compliance Curriculum ensures that employee stays current with regulatory and other compliance requirements. These programs and curricula are offered virtually as both synchronous and self-paced.

Employee Tuition Benefit – GCE promotes the concept of lifelong learning and supports this concept by offering its employees a generous Tuition Benefit program through its university partner, GCU. After 3 months of continuous service, fulltime employees admitted to GCU receive a 100% tuition reduction on undergraduate and graduate programs Additionally, the tuition benefit is available for an eligible employee's spouse or up to two children with no more than two participants receiving the benefits at any one time. An eligible employee's spouse or child

admitted to GCU receives a 100% tuition reduction on undergraduate programs and a 50% tuition reduction on graduate programs.

Monitoring employee engagement and satisfaction – GCE administers an annual survey of all of its employees to assess employee engagement and satisfaction. GCE received responses from 1,330 employees on the 2024 survey. The survey asked a number of questions regarding employee engagement and satisfaction including whether they are actively engaged with their work, whether they have a sense of pride in what they do and whether they enjoy the type of work assigned to them. The responses to each question were overwhelmingly positive. To the prompt, "I plan to continue my career at GCE for at least two more years"; "I would recommend employment at GCE to a friend"; "I am actively engaged with my work at GCE"; and "Overall I am satisfied with GCE as an employer," less than 12% of the responders disagreed with any of these statements. This survey also inquired about the importance of Environmental, Social and Governance topics that employees felt are important to GCE's business performance and financial success both internal and external impacts. The top five selected in the survey by employees and the percentage of the responders that selected that topic were Employee Health and Wellbeing (59%), Professional Integrity (47%), Human Capital Management (41%), Community Engagement (36%) and Workforce Diversity and Engagement (20%). 92% of those that responded to the survey confirmed GCE enables a culture of diversity.

Whistleblower hotline – GCE has a whistleblower hotline available to both internal and external parties. The whistleblower policy is disclosed on the GCE intranet for employees and disclosed on the GCE investor relations website for external parties. Hotline activity is managed by a third party and all claims are reviewed and monitored by the Chief Risk Officer and General Counsel. All claims are discussed at the quarterly Audit Committee meetings.

Community Involvement by GCE and its Employees. Examples of activities in which we and our employees participate include:

- *Improving Our Neighborhood and Increased Home Values* - Together with Habitat for Humanity and in concert with our largest university partner, we are participating in the largest home renovation project in the country in the West Phoenix area surrounding GCU's campus. As of December 31, 2024, 1,446 projects have been completed in which 37,757 hours have been logged by volunteers. These efforts, combined with GCE and GCU's expanded presence in the community, have contributed to a significant increase in home values since 2011 in the 85017 zip code.
- *Furthering Job Creation* - We, along with GCU have launched a number of new business enterprises that have reduced costs, provided management opportunities for recent graduates and employment opportunities for students and neighborhood residents, while spurring economic growth in the area.
- *Youth Opportunity Foundation* - Our employees volunteer and donate time and funds to the Youth Opportunity Foundation which provides advocacy, clinical treatment, education and workforce development for at-risk young people in underprivileged areas.

GCE also invests in the following activities that benefit the community.

- *Funding of Student Tuition Organizations* - GCE contributes to private school tuition organizations, which are entities that allocate financial contributions toward tuition assistance and scholarships for disadvantaged students to attend Arizona private schools. In 2024 and 2023, we contributed $4.5 million and $3.5 million, respectively, to these organizations.
- *Encouraging Employee Giving* - We participate in Donate to Elevate, a program that encourages employees to participate in the Arizona individual tax credit program, which allows individual taxpayers to contribute money in lieu of state income tax payments to benefit private schools and other non-profit entities in Arizona, as well as local public schools and public charter schools. Employees are encouraged to designate tax dollars to the school or program of their choice.
- *Students Inspiring Students* - GCE continues to support GCU's free tutoring/mentoring program that serves Phoenix-area K-12 schools. Students who seek academic assistance in the GCU Learning Lounge may become eligible to receive the Students Inspiring Students full-tuition scholarship. To serve our university partners and community, we seek donations to fund this neighborhood scholarship program.

- *Sponsoring K-12 Educational Development* - GCE supports GCU's K-12 Educational Development Department through sponsorship of GCU's Canyon Professional Development and K-12 Targeted School Assistance programs. Canyon Professional Development offers professional development opportunities for educators and administrators, and their student/parent engagement programs aim to help students become college ready. K-12 Targeted School Assistance programs also offer tutoring and mentorship and more to community schools to improve learning environments and outcomes. Both initiatives elevate public, private, charter and home schools in the form of scholarships, program discounts, professional development, events, and more.
- *Continuing Community Involvement* - GCE and our employees partner in countless other community events and projects throughout the year. We offer our full-time employees a maximum of 16 hours of PTO annually for community service. This time is used to volunteer at an approved charitable organization. Over 40 organizations are approved for employee volunteerism, including Habitat for Humanity.

In addition, GCE has historically partnered in countless community events and projects throughout the year, helping organizations such as the Phoenix Rescue Mission, Feed My Starving Children, Arizona Foster Care, Boy/Girl Scouts, Goodwill Arizona, St. Vincent de Paul, Young Life, Elevate Phoenix, Back to School Clothing Drive and St. Mary's Food Bank. Our employees also went out into our surrounding neighborhoods to participate in programs such as Serve the City, Canyon Kids, Salute Our Troops, Colter Commons senior home visits and the Run to Fight Children's Cancer.

Our Commitment to Diversity. A growing body of evidence suggests that diverse teams improve financial outcomes and support innovation, resiliency, and productivity. GCE's commitment to fostering diversity in its community is evident in the following:

- *Our Diversity Statement* - Grand Canyon Education is a faith-friendly shared services provider that embraces a worldview which outlines a responsibility to both charity and stewardship which simply stated is, 'to love others as yourself'. We are a community of people who value the pursuit of truth and find great understanding in the convergence of differing viewpoints, backgrounds and ideas. We welcome employees from all walks of life which has contributed to a growing diversity within our population. Our diversity encompasses a multitude of dimensions, including age, disability, national origin, race, color, religion, gender, veteran status and more. Our Christian perspective compels us to treat every individual equally with respect and compassion. All community members deserve a comfortable space to express their feelings, so that every voice is heard. All members of the Company will be welcomed, valued, and provided safety in this community. Finally, diversity not only enriches the workplace and the educational endeavors of our partners it is critical to it. Maintaining a diverse environment requires a measure of tolerance and understanding commensurate with the dignity and value of all human life. In sum, GCE values diversity because it values every employee and university partners' students entrusted to its care.
- *Our Diverse Leadership* - Our ability to attract and retain diverse talent is reflected at both our Board of Directors (the "Board") and management levels. Three of our six directors are women and two directors identify with an underrepresented diverse ethnicity. In addition, for all of our employees at the level of manager and above totaling 644 persons, 70.2% are held by women and other diverse persons.
- *Our Diverse Workforce* - As of December 31, 2024, 80.3% of our 5,830 employees are women and other diverse persons. As of December 31, 2024, GCE employed approximately 4,092 professional and administrative personnel, including technical and academic advisors, counseling advisors, marketing and communication professionals, and personnel that handle financial aid processing, information technology, human resources, corporate accounting, finance, and other administrative functions. In addition, as of December 31, 2024, GCE employed approximately 1,738 part-time employees most of whom are student workers. None of our employees are a party to any collective bargaining or similar agreement with us. We consider our relations with our employees to be strong.
- *Our Hiring Practices and Policies* - Our hiring policies and practices include an Equal Employment Opportunity Policy, Nondiscrimination and Anti-Harassment Policy and Complaint Procedure, and the Disability Accommodation Policy. We post all open positions to a variety of job boards to ensure we attract diverse candidates. We also collect and analyze employee demographic data to identify current trends.

- *Training* - We provide employees and management with regular training. New hires all complete anti-discrimination and harassment training within 3 months of starting at GCE. Thereafter, all employees complete the training every other year, while management undertakes it annually. We have also provided Implicit Bias Training to all employees.

Environmental Awareness

Online education is inherently more environmentally friendly than traditional campus education with a reduction in greenhouse gas ("GHG") production caused by traveling to and from a brick-and-mortar campus. It also increases student capacity while eliminating the need for construction of a physical campus. A majority of our university partners' students are enrolled in hybrid or online educational models. In addition, a significant number of our university partners' students utilize an ebook format versus paper textbooks, which is more environmentally friendly in that it saves paper and other materials and there is no shipment required.

GCE owns a four-story 325,000 square foot administrative building, which includes office space for approximately 2,700 employees, and a parking garage at our headquarters in Phoenix, Arizona. We constructed these facilities in 2016 and, as with every one of our projects over the past 16 years, we designed them to maximize energy efficiency and minimize electricity usage and environmental impact, which ultimately lowers our operating costs. Our headquarters building includes the following design features:

- *North/South Building Orientation* - GCE's office building is orientated with north/south exposure in order to minimize direct sun and thereby reduce power usage. Exterior courtyards were arranged to ensure summer shade thus creating outdoor areas that can be used by our employees throughout the year.
- *Use of Window Glazing* - Our building utilizes significant window glazing to allow for daylighting thus reducing the need for supplemental electrical lighting. As a result, the building is designed to use just .41 watts per square foot of electrical energy for lighting, which is half of what a typical environmentally efficient building uses.
- *Reducing Water Consumption* - Water usage is another environmental factor for office space that is magnified by the Arizona weather. GCE's office building utilizes numerous water conservation methods including push-tap faucets, waterless urinals, and a rooftop rainwater collection system for irrigating the landscaping below, which significantly reduces our water consumption.
- *Other Design Features* - Additional environment-friendly design features include low VOC paints, use of recycled building materials, interior and exterior LED light bulbs, motion sensor lighting and implementation of an energy-efficient VRF mechanical system.

In addition to our efficient facilities, we have undertaken other measures to minimize our environmental impact, including, among others:

- implementing a Trip Reduction Program, which provides incentives to employees who participate in carpooling or take public transportation to work;
- providing a telecommute option for a significant number of positions; and
- participating in a recycling program aimed at minimizing the volume of waste products generated by GCE.

Due to our significant investment in infrastructure, since March 2020, when the World Health Organization declared the COVID-19 a global pandemic, a significant portion of our diverse workforce is continuing to work remotely. This has not only increased employee satisfaction but has also resulted in savings in the areas of waste, janitorial costs, and travel costs related to business travel and commuting.

Our off-campus classroom and laboratory sites are all designed with the same efficient footprint in the 45 sites opened as of December 31, 2024.

Climate Disclosures

We do not operate in a high-risk industry for climate risks. We believe that we have low climate risk with respect to our physical environment (e.g., fires, drought, hailstorms, increasing weather pattern changes). A significant

percentage of our workforce is continuing to work remotely. We have insurance policies in place to cover any damage for our property, plant and equipment. Our Audit Committee is tasked with oversight of climate-related risks for the Company.

We are evaluating emissions reduction requirements with key suppliers for costs such as information security systems, communication and marketing costs, travel costs, and continued expansion of our off-campus classroom and laboratory sites. We currently do not have any regulatory emissions reporting obligations.

We do not have significant risk from a transition to a low-carbon economy, which could result in changing customer behavior. Our customers are university partners located in the United States.

Corporate Governance

We believe that effective corporate governance is critical to our ability to create long term value for our stockholders. The following highlights certain key aspects of our corporate governance framework:

- *We Have an Independent and Diverse Board* - Five of our six directors are independent. Three of our six directors are diverse persons, and two of our directors identify with an under-represented diverse ethnicity.
- *We Have Majority Voting for Directors* - We have adopted majority voting for directors pursuant to which nominees who fail to achieve an affirmative majority of votes cast must submit their resignation.
- *We Hold Annual Elections for Directors* - We do not have a staggered board.
- *We Assess Board Performance* - We conduct regular evaluations of our Board of Directors and Committees.
- *Our Independent Directors Meet Without Management* - Our independent directors meet regularly in executive sessions without management present.
- *We Have a Stock Ownership Policy* - We require both our named executive officers and our directors to maintain a meaningful ownership stake at levels specified in our stock ownership policy.
- *Our Key Committees are Independent* - We have fully independent Audit, Compensation and Nominating and Corporate Governance Committees.
- *We Do Not Have a "Poison Pill"* - We do not maintain a stockholder rights plan.

Seasonality

Our service revenue normally fluctuates due to changes in our university partners' enrollment which tends to be higher in the Spring and Fall periods and lower in the Summer. Our expenses do not normally fluctuate significantly during the year which results in fluctuations in operating income between quarters. See "Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations – Seasonality*."

Competition

There are dozens of companies that seek to partner with non-profit schools and state universities to assist in the development and operation of their educational programs. These companies provide various services that traditional institutions historically have not had the experience or organizational capability to fully support. These services include marketing and recruitment, enrollment management, curriculum development, online course design, student retention support, technology infrastructure, and student and faculty call center support. The largest companies in this sector have historically been Pearson Online Learning Services, Academic Partnerships and 2U, Inc.

The education services market, particularly with regard to those companies that help traditional universities develop new degree programs often delivered online, has historically been characterized by a full-service, revenue-sharing model, based on the premise that most traditional institutions are not only operationally unprepared to offer these programs at scale but also are not equipped to make the significant upfront investments necessary to develop these programs organically. In recent years, an alternative unbundled fee-for-service model has emerged, in which the companies offer the same services, or some subset of services, for the market price of those services. Finally, other industry providers affiliate with university partners to offer massive open online courses, which are aimed at unlimited participation and open access via the web at little or no cost to the student.

The education services market is changing and expanding. It is highly fragmented and subject to evolving technology, shifting needs of students and educators and introductions of new delivery modalities. We believe that the competitive factors in the education services market include:

- reputation and brand awareness;
- quality of university partner base and performance track record;
- the effectiveness of marketing and sales efforts;
- robustness and evolution of technology solutions;
- breadth and depth of services offerings;
- convenient, flexible and dependable access to programs and classes;
- level of student support services;
- quality of student and faculty experience;
- cost of programs; and
- the time necessary to earn a degree.

Proprietary Rights

We have developed and own, or are licensed to use, intellectual property that is or will be the subject of copyright, trademark, service mark, patent, trade secret, or other protections. This intellectual property includes but is not limited to technology, courseware materials and business know-how and internal processes and procedures developed to respond to the requirements of operating a post-secondary educational institution with a significant online campus and to comply with the rules and regulations of various education regulatory agencies. We rely on a combination of copyrights, trademarks, service marks, trade secrets, domain names, and agreements to protect our intellectual property. We protect our intellectual property by signing agreements with employees, independent contractors, consultants, companies, and any other third party that creates intellectual property for us that assign any intellectual property rights to us. In addition, we seek to maintain the confidentiality of our proprietary information through the use of confidentiality agreements with employees, independent contractors, consultants and companies with which we conduct business. While our intellectual property rights are important to us, we do not believe that the loss of any individual property right or group of related rights would have a material adverse effect on our overall business.

Available Information

We were incorporated as a Delaware corporation in 2008 and completed our initial public offering in November 2008. Our principal executive offices are located at 2600 West Camelback Road, Phoenix, Arizona 85017, our telephone number is (602) 247-4400 and our Internet address is www.gce.com.

We make available free of charge on our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Forms 3, 4, and 5 filed on behalf of directors and executive officers, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the Securities and Exchange Commission (the “SEC”). In addition, our earnings conference calls are web cast live via our website. In addition to visiting our website, you may obtain any document we file with the SEC at www.sec.gov. The contents of these websites are not incorporated into this filing and our references to the URLs for these websites are intended to be inactive textual references only.

REGULATION OF OUR EDUCATION SERVICES BUSINESS

Prior to July 1, 2018, GCE, owned and operated GCU. On July 1, 2018, GCE sold GCU to an independent, Arizona non-profit corporation (the "Transaction"). As a result of the Transaction, we no longer own and operate an institution of higher education, nor do we directly participate in Title IV programs regulated and overseen by ED under the Higher Education Act ("HEA"). Instead, we operate as an education service company to institutions of higher education that do participate in Title IV programs. Nevertheless, we are required to comply with certain regulations promulgated by ED for the following reasons:

- Our operations are subject to regulation by ED due to our university partners' participation in the federal student financial aid programs under Title IV of the HEA. Those Title IV programs include educational loans with below-market interest rates that are issued by the federal government under the Federal Direct Loan program (the "FDL Program"), as well as grant programs for students with demonstrated financial need. To participate in the Title IV programs, a school must receive and maintain authorization by the appropriate state agency or agencies, be accredited by an accrediting commission recognized by ED, and be certified as an eligible institution by ED.
- As a third-party servicer under the HEA and the related regulations, we also have a direct relationship with ED. ED regulates our operations insofar as we are performing certain functions classified as third-party servicer functions under relevant regulations and sub-regulatory guidance. A "Third-party servicer" is any person or entity used by "any eligible institution of higher education to administer, through either manual or automated processing, any aspect of such institution's student assistance programs." Third-party servicers must comply with a number of regulatory requirements. For example, they must conduct and submit to ED compliance audits under 34 C.F.R. § 668.23. In addition, they must comply with the requirements of 34 C.F.R. § 668.25, which among other things, requires third-party servicers, in their contracts with institutions, to be contractually obligated to, among other things:
    - Comply with all statutory provisions of or applicable to Title IV of the HEA, including the requirement to use any funds that the servicer administers under any Title IV program and any interest or other earnings thereon solely for the purposes specified in and in accordance with that program;
    - Refer to the Office of Inspector General of ED for investigation any information indicating there is reasonable cause to believe that the institution might have engaged in fraud or other criminal misconduct in connection with the institution's administration of any Title IV program or an applicant for Title IV program assistance might have engaged in fraud or other criminal misconduct in connection with his or her application; and
    - Be jointly and severally liable with the institution to the Secretary for any violation by the servicer of any statutory provision of or applicable to Title IV of the HEA, any regulatory provision prescribed under that statutory authority, and any applicable special arrangement, agreement, or limitation entered into under the authority of statutes applicable to Title IV of the HEA.

We are also subject to a number of data security and privacy regulations given our role as a third-party service provider, the compliance with which can materially impact our business model. In addition, as more fully described below, we are subject to some of the regulations imposed on our university partners by virtue of the nature of the services we provide.

The HEA and the regulations promulgated thereunder are frequently revised, repealed or expanded and the scope of services covered by regulations may evolve and change over time. Congress historically has reauthorized and amended the HEA in regular intervals, approximately every five to seven years. The re-authorization process is currently under way. The re-authorization of the HEA could alter the regulatory landscape of the higher education industry, and thereby impact the manner in which we conduct business and serve our university partners. In addition, ED is independently conducting an ongoing series of rulemakings intended to assure the integrity of the Title IV programs. ED also frequently issues formal and informal guidance instructing institutions of higher education and other covered entities how to comply with various federal laws and regulations. For example, in February 2023, ED released DCL 23-03, a guidance document expanding the definition of what activities are considered as third-party servicer activities.

After substantial community outreach to ED, and a number of notices that the guidance would be delayed, on November 14, 2024, the Department formally rescinded DCL 23-03. Previously issued guidance on this topic (Dear Colleague Letters GEN 12-08, GEN 15-01, GEN 16-15 (as modified by the March 8, 2017 electronic announcement), and GEN-23-08) remains in effect. Regarding data security matters, in Electronic Announcement GEN 23-09, ED stated that "[t]he Department will issue guidance on NIST 800-171 compliance in a future Electronic Announcement." While it does not appear ED has addressed this issue in 2024 through rulemaking or otherwise, we believe data security is an area of importance and, like all ED guidance, is subject to change and may impact our business model.

We are also regulated (depending upon the applicable activity being regulated) by other federal agencies or departments including the SEC, the Internal Revenue Service ("IRS"), and the Federal Trade Commission ("FTC").

REGULATION OF OUR UNIVERSITY PARTNERS

Institutions of higher education in America are subject to extensive regulation by state post-secondary, licensure and certification agencies, accrediting commissions, and the federal government through ED under the HEA, as well as (depending upon the applicable activity being regulated) other federal agencies and departments including the U.S. Department of Veterans Affairs ("VA"), the FTC, the IRS, and for institutions who issue bonds, the SEC. The regulations, standards, and policies of these agencies cover the vast majority of operations of colleges and universities, including educational programs, facilities, instructional and administrative staff, administrative procedures, marketing, recruiting, financing and financial operations, athletics and financial condition.

Our current university partners and all likely future university partners are required to be authorized by appropriate state post-secondary, licensure, and certification authorities. In addition, in order to participate in the federal student financial aid programs, our university partners will need to be accredited by an accrediting commission recognized by ED. Accreditation is a private, non-governmental process for evaluating the quality of educational institutions and their programs in areas including student performance, governance, integrity, educational quality, faculty, physical resources, administrative capability and resources, and financial stability. The HEA requires accrediting commissions recognized by ED to review and monitor many aspects of an institution's operations and to take appropriate action if the institution fails to meet the accrediting commission's standards.

Although we no longer own and operate an institution of higher education, nor do we directly participate in Title IV programs, regulatory matters that materially affect GCU and our other university partners will, necessarily, have a material impact on us. The following section describes regulatory matters that affect our university partners and that may affect us as an education services provider to institutions of higher education generally.

State Post-Secondary Education Regulation

Our university partners are authorized to offer education by the relevant state authorizing agencies for the state in which such university partner is located. For example, GCU, our most significant university partner, is authorized to offer programs by the Arizona State Board for Private Postsecondary Education, the regulatory agency governing private post-secondary educational institutions in the State of Arizona, where it is located. State authorization is very important to our university partners and, as a result, to our business. To maintain their state authorization, our university partners must continuously meet standards relating to, among other things, educational programs, facilities, instructional and administrative staff, marketing and recruitment, financial operations, addition of new locations and educational programs, and various operational and administrative procedures. Our university partners' failure to comply with the requirements of a state regulatory agency could result in our university partners' losing their ability to offer educational programs, which would cause our university partners to lose their eligibility to participate in the Title IV programs and could force them, and us, to cease operations. Alternatively, a state regulatory body could restrict our university partners' ability to offer new or certain degree and non-degree programs, which may impair our ability to grow.

State regulatory requirements for online education have historically varied among the states. To address this issue and to meet ED requirements many schools have applied and been approved to be institutional participants in the State Authorization Reciprocity Agreement ("SARA"). SARA is an agreement among member states, districts and territories that establishes comparable national standards for interstate offering of post-secondary distance education courses and programs. It is intended to make it easier for students to take online courses offered by post-secondary institutions based in another state. SARA is overseen by a national council (NC-SARA) and administered by four regional education compacts. GCU, for example, is a member of SARA in Arizona (AZ-SARA), which is administered by the Western Interstate Commission for Higher Education (referred to as W-SARA). There is a yearly renewal for

participating in NC-SARA and AZ-SARA and institutions must agree to meet certain requirements to participate. As of December 31, 2024, all states other than California are members of SARA.

Any state that does not participate in SARA may impose regulatory requirements on out-of-state post-secondary institutions operating within its boundaries, such as those having a physical facility or conducting certain academic activities within the state. GCU, for example, enrolls students in all 50 states and the District of Columbia. Although it is currently licensed, authorized, in-process, or exempt in all non-SARA jurisdictions in which it operates, if GCU fails to comply with state licensing or authorization requirements for a non-SARA jurisdiction, or fails to obtain licenses or authorizations when required, it could lose its license or authorization by that jurisdiction or be subject to other sanctions, including restrictions on its activities in, and fines and penalties imposed by, that jurisdiction, as well as fines, penalties, and sanctions imposed by ED. The loss of licensure or authorization in any non-SARA jurisdiction by a university partner institution could prohibit us from recruiting prospective students or offering services to current students in that jurisdiction, which could significantly reduce such university partner's enrollments.

Individual state laws establish standards in areas such as instruction, qualifications of faculty, administrative procedures, marketing, recruiting, financial operations, and other operational matters. To the extent required with respect to an educational service category covered by our contractual relationship, we expect to assist our university partners in meeting these requirements. Some states limit schools' ability to offer educational programs and award degrees to residents of those states. Some states also prescribe financial regulations that are different from those of ED and may require the posting of surety bonds. While we are not directly subject to those laws, those laws may inhibit our university partners from expanding or operating in those states, limiting our ability to serve our university partners, which could significantly affect our business. In addition, state laws can indirectly regulate how we provide its services to its university partners. For example, some states have considered new requirements that would dictate what information we must convey to students and prospective students and impose reporting requirements related to the nature of our services. To the extent such requirements were ultimately enacted into law, they could significantly affect our business.

State Professional Licensure

Many states have specific requirements that an individual must satisfy in order to be licensed as a professional in specified fields, including fields such as healthcare, education, and counseling. These requirements vary by state and by field. A student's success in obtaining licensure following graduation typically depends on several factors, including the background and qualifications of the individual graduate, as well as the following factors, among others:

- whether the institution and the program were approved by the state in which the graduate seeks licensure, or by a professional association;
- whether the program from which the student graduated meets all requirements for professional licensure in that state;
- whether the institution and the program are accredited and, if so, by what accrediting commissions; and
- whether the institution's degrees are recognized by other states in which a student may seek to work.

Many states also require that graduates pass a state test or examination as a prerequisite to becoming certified in certain fields, such as nursing and teaching. Many states will certify individuals if they have already been certified in another state.

Prior to opening a new off-campus classroom and laboratory site, university partners often require approval from the applicable state board to offer its programs at that location. This can delay the site opening and timing can vary based on the state and the university partner.

Although not directly regulated by these entities, we must be mindful of the requirements placed by state professional licensure bodies on our university partner institutions to ensure those institutions maintain that licensure.

Accreditation

Accreditation is a private, non-governmental process for evaluating the quality of educational institutions and their programs in areas including student performance, governance, integrity, educational quality, faculty, physical resources, administrative capability and resources, and financial stability. To be recognized by ED, accrediting commissions must adopt specific standards for their review of educational institutions, conduct peer-review evaluations of institutions, and publicly designate those institutions that meet their criteria. An accredited school is subject to

periodic review by its accrediting commissions to determine whether it continues to meet the performance, integrity and quality required for accreditation.

Our most significant university partner, GCU has been regionally accredited by the HLC and its predecessor since 1968, most recently obtaining reaccreditation in 2017 for the ten-year period through 2027. The HLC is an accrediting agency recognized by the Secretary of Education and accredits entire institutions of higher education. The HLC has historically been categorized as a regional accreditor. Institutional accreditation by a recognized accreditation agency is one of the prerequisites for an institution of higher education to be eligible to disburse Title IV aid to students. In addition, GCU holds a number of programmatic accreditations related to the conduct of specific programs of the university. Other colleges and universities depend, in part, on an institution's accreditation (institutional, and, in some cases, programmatic) in evaluating transfers of credit and applications to graduate schools. Employers rely on the accredited status of institutions when evaluating candidates' credentials, and students and corporate and government sponsors under tuition reimbursement programs look to accreditation for assurance that an institution maintains quality educational standards.

University partners other than GCU may be accredited by different accrediting bodies that are likely to have standards that are different from those of the HLC. Moreover, our other university partners hold various programmatic accreditations that set additional requirements related to specific programs, including for their nursing programs. As we work with university partners in different regions we will need to work with those accrediting bodies and tailor our services to meet the requirements of those accreditors.

Regulation of Federal Student Financial Aid Programs

To be eligible to participate in the Title IV programs, an institution must comply with specific requirements contained in the HEA and the regulations issued thereunder by ED. An institution must, among other things, be licensed or authorized to offer its educational programs by the state in which it is physically located and maintain institutional accreditation by an accrediting commission recognized by ED.

The substantial amount of federal funds disbursed to schools through the Title IV programs and the large number of students and institutions participating in these programs have caused Congress to require ED to exercise considerable regulatory oversight over educational institutions. As a result, our university partners are subject to extensive oversight and review. Because ED periodically revises its regulations and changes its interpretations of existing laws and regulations, we cannot predict with certainty how the Title IV program requirements will be applied in all circumstances to our university partners or to us directly.

Significant regulations and other factors relating to the Title IV programs that could adversely affect us include the following:

Congressional action. Congress must reauthorize the HEA on a periodic basis, usually every five to six years, and the most recent reauthorization through September 30, 2013, occurred in August 2008. The reauthorized HEA reauthorized all of the Title IV programs in which institutions participate but made numerous revisions to the requirements governing the Title IV programs, including provisions relating to student loan default rates and the formula for determining the maximum amount of revenue that institutions are permitted to derive from the Title IV programs. In addition, members of Congress periodically introduce legislation that would impact Title IV programs and the higher education industry generally. Because a significant percentage of our revenue is indirectly derived from the Title IV programs, any action by Congress that significantly reduces Title IV program funding or the ability of our university partners to participate in the Title IV programs could reduce the ability of some students to finance their education at our university partner institutions and materially decrease their student enrollment.

Eligibility and certification procedures. Each institution must apply periodically to ED for continued certification to participate in the Title IV programs. Such recertification generally is required every six years, but may be required earlier, including when an institution undergoes a change in control. To the extent ED suspends, limits, modifies, conditions, or terminates any university partner institution's eligibility to participate in the Title IV, including by disallowing the institution from adding new programs or terminating the institution from Title IV eligibility programs, that action is likely to have a negative impact on our business.

ED may also grant an institution the ability to participate in Title IV programs on a provisional basis while it completes its review of the institution's application. For an institution that is certified on a provisional basis, ED may revoke the institution's certification without advance notice or advance opportunity for the institution to challenge that

action. For an institution that is certified on a month-to-month basis, ED may allow the institution's certification to expire at the end of any month without advance notice, and without any formal procedure for review of such action. To our knowledge, either such action is very rare and has only occurred upon a determination that an institution is in substantial violation of material Title IV requirements. Our primary university partner, GCU, currently operates under a provisional program participation agreement that expires on June 30, 2026.

Administrative capability. ED regulations specify extensive criteria by which an institution must establish that it has the requisite "administrative capability" to participate in the Title IV programs. To meet the administrative capability standards, an institution must, among other things:

- comply with all applicable Title IV program requirements;
- have an adequate number of qualified personnel to administer the Title IV programs;
- have acceptable standards for measuring the satisfactory academic progress of its students;
- not have student loan cohort default rates above specified levels;
- have various procedures in place for awarding, disbursing and safeguarding Title IV funds and for maintaining required records;
- administer the Title IV programs with adequate checks and balances in its system of internal controls;
- not be, and not have any principal or affiliate who is, debarred or suspended from federal contracting or engaging in activity that is cause for debarment or suspension;
- provide financial aid counseling to its students;
- refer to ED's Office of Inspector General any credible information indicating that any student, parent, employee, third-party servicer or other agent of the institution has engaged in any fraud or other illegal conduct involving the Title IV programs;
- submit all required reports and consolidated financial statements in a timely manner; and
- not otherwise appear to lack administrative capability.

As an education services company, we assist our university partners with some facets of these criteria. As such, we must be mindful of, and compliant with, the administrative capability requirements. If an institution fails to satisfy any of these criteria, ED may:

- require the institution to repay Title IV funds its students previously received;
- transfer the institution from the advance method of payment of Title IV funds to heightened cash monitoring status or the reimbursement system of payment;
- place the institution on provisional certification status; or
- commence a proceeding to impose a fine or to limit, suspend or terminate the institution's participation in the Title IV programs.

Imposition of these sanctions on any of our university partners could have a negative impact on our ability to conduct our business.

Financial responsibility. The HEA and ED regulations establish extensive standards of financial responsibility that institutions must satisfy in order to participate in the Title IV programs. ED evaluates institutions for compliance with these standards on an annual basis based on the institution's annual audited consolidated financial statements, as well as when the institution applies to ED to have its eligibility to participate in the Title IV programs recertified. The most significant financial responsibility standard is the institution's composite score, which is derived from a formula established by ED based on three financial ratios:

- equity ratio, which measures the institution's capital resources, financial viability and ability to borrow;
- primary reserve ratio, which measures the institution's ability to support current operations from expendable resources; and
- net income ratio, which measures the institution's ability to operate at a profit or within its means.

ED assigns a strength factor to the results of each of these ratios on a scale from negative 1.0 to positive 3.0, with negative 1.0 reflecting financial weakness and positive 3.0 reflecting financial strength. ED then assigns a weighting percentage to each ratio and adds the weighted scores for the three ratios together to produce a composite score for the institution. The composite score for an institution's most recent fiscal year must be at least 1.5 for the institution to be deemed financially responsible without the need for further ED oversight. In addition to having an

acceptable composite score, an institution must, among other things, provide the administrative resources necessary to comply with Title IV program requirements, meet all of its financial obligations, including required refunds to students and any Title IV liabilities and debts, be current in its debt payments, and not receive an adverse, qualified, or disclaimed opinion by its accountants in its audited consolidated financial statements.

As an education service company, we are not directly subject to this regulation. However, if ED were to determine that a university partner institution did not meet the financial responsibility standards due to a failure to meet the composite score or other financial responsibility factors, ED could impose a range of sanctions on the institution, such as requiring the institution to post a letter of credit, accept provisional certification (which would hamper the ability of the institution to add new programs), comply with additional ED monitoring requirements, agree to receive Title IV program funds under an arrangement other than ED's standard advance funding arrangement, such as the reimbursement system of payment or heightened cash monitoring, and comply with or accept other limitations on the ability to increase the number of programs it offers or the number of students it enrolls, any of which sanctions on our university partners could also adversely affect our business. In addition, because other regulators may use the composite score for their purposes, a poor composite score could have additional effects. For example, NC-SARA utilizes an institution's composite score in determining whether such institution is eligible to participate in SARA.

Based on the data derived from the audited financial statements of GCU as of each of June 30, 2024 and 2023, GCU's composite score was 1.9 and 1.8, respectively, using the proprietary school calculation methodology. If GCU's future composite scores do not exceed 1.5, ED could impose sanctions. If any such sanctions were imposed, it could have a negative impact on our ability to conduct our business.

Return of Title IV funds for students who withdraw. When a student who has received Title IV program funds withdraws from school, the institution must determine the amount of Title IV program funds the student has "earned" and then must return the unearned Title IV program funds (a "return to Title IV") to the appropriate lender or ED in a timely manner, which is generally no later than 45 days after the date the institution determined that the student withdrew. If such payments are not timely made, the institution will be required to submit a letter of credit to ED equal to 25% of the Title IV funds that the institution should have returned for withdrawn students in its most recently completed fiscal year. Under ED regulations, the letter of credit requirement is triggered by late returns of Title IV program funds for 5% or more of the withdrawn students (and involving more than two student refunds) in the audit sample in the institution's annual Title IV compliance audit for either of the institution's two most recent fiscal years or in a ED program review. Additionally, in January 2025, ED published new regulations, that become effective on July 1, 2026, related to a number of areas, including those concerning return to Title IV. We are in the process of reviewing the regulations and have not formed a view as to the impact on our business.

The "90/10 Rule." A requirement of the HEA, commonly referred to as the "90/10 Rule," that is applicable only to proprietary, post-secondary educational institutions, provides that an institution loses its eligibility to participate in the Title IV programs if the institution derives more than 90% of its revenue for each of two consecutive fiscal years from Title IV program funds. For purposes of the 90/10 Rule, revenue is calculated under a complex regulatory formula that requires cash basis accounting and other adjustments to the calculation of an institution's revenue under generally accepted accounting principles that appears in its consolidated financial statements. Under the 90/10 Rule, an institution becomes ineligible to participate in the Title IV programs as of the first day of the fiscal year following the second consecutive fiscal year in which it exceeds the 90% threshold, and its period of ineligibility extends for at least two consecutive fiscal years. If an institution exceeds the 90% threshold for two consecutive fiscal years and it and its students have received Title IV funds during the subsequent period of ineligibility, the institution will be required to return those Title IV funds to the applicable lender or ED. If an institution's rate exceeds 90% for any single fiscal year, it will be placed on provisional certification for at least two fiscal years.

Based on new regulations that went into effect on January 1, 2023, the 90/10 Rule was modified to include tuition assistance programs offered by the U.S. Department of Defense and the U.S. Veterans Administration as part of the 90% threshold, in addition to the Title IV programs already covered by the 90/10 Rule. This means that institutions subject to the 90/10 Rule will be required to limit the combined amount of Title IV funds and applicable "Federal funds" revenue in a fiscal year to no more than 90% in a fiscal year as calculated under the rule, and the change to the 90/10 Rule is thus expected to increase the 90/10 Rule calculations for institutions subject to the rule. Using ED's cash-basis, regulatory formula under the 90/10 Rule as currently in effect, GCU derived approximately 67.2% and 65.5% of its 90/10 Rule revenue from Title IV program funds for the fiscal years ended June 30, 2024 and 2023, respectively, per

GCU's audited financial statements. Accordingly, even if ED continues to treat GCU as a proprietary institution for Title IV purposes, we do not expect this rule to have any material impact on GCU.

Legislation has been introduced in both chambers of Congress that seeks to further modify the 90/10 Rule, including proposals to change the ratio requirement to 85/15 (federal to nonfederal revenue), or to eliminate the 90/10 Rule. We cannot predict whether or how legislative or regulatory changes will affect the 90/10 Rule.

Student loan defaults. Under the HEA, an educational institution may lose its eligibility to participate in some or all of the Title IV programs if defaults by its students on the repayment of their federal student loans exceed certain levels. For each federal fiscal year, ED calculates a rate of student defaults for each institution (known as a "cohort default rate"). The rate is calculated by determining the rate at which borrowers who became subject to their repayment obligation in one federal fiscal year default in that same year or by the end of the second year following the first federal fiscal year (known as the "three-year method").

ED applies legal thresholds to measure an institution's compliance. If ED notifies an institution that its cohort default rates exceeded 30%, for each of its three most recent federal fiscal years, the institution's participation in the FDL Program and the Pell grant program would end 30 days after that notification, unless the institution appeals that determination in a timely manner on specified grounds and according to specified procedures. In addition, an institution's participation in the FDL Program would end 30 days after notification by ED that its most recent cohort default rate, is greater than 40%, unless the institution timely appeals that determination on specified grounds and according to specified procedures. An institution whose participation ends under either of these provisions may not participate in the relevant programs for the remainder of the fiscal year in which the institution receives the notification or for the next two fiscal years. If an institution's cohort default rate for any single federal fiscal year equals or exceeds 30%, ED may place the institution on provisional certification status.

While we cannot directly influence a university partner's cohort default rates, and do not provide default rate management services, in the course of performing services for a university partner we would work to assist such university partner in ensuring that its cohort default rates do not present a compliance risk under this regulation. Nonetheless, if a university partner institution exceeded the threshold under the three-year method, the sanction imposed could have a negative impact on our ability to conduct our business. While GCU's cohort default rates have historically been significantly below these levels, we cannot assure you that this will continue to be the case.

Incentive compensation rule. An institution that participates in the Title IV programs may not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any person or entity engaged in any student recruitment, admissions, or financial aid awarding activity. Since we are involved in recruiting and admission activities on behalf of our university partners, under current regulations, we are prohibited from offering our covered employees, who are those employees involved with or responsible for recruiting or admissions activities, any bonus or incentive-based compensation based on the successful recruitment, admission or enrollment of students into a postsecondary institution. We are also precluded from offering our covered employees who work on financial aid matters (if any), any bonus or incentive-based compensation based on the award of financial aid to students enrolled in a postsecondary institution.

In addition, the incentive compensation rule raises the question as to whether companies like ours, as an entity, are prohibited from entering into tuition revenue-sharing arrangements with university partners. On March 17, 2011, ED issued official agency guidance, known as a "Dear Colleague Letter," or a DCL, providing guidance on this point. The DCL states that "[t]he Department generally views payment based on the amount of tuition generated as an indirect payment of incentive compensation based on success in recruitment and therefore a prohibited basis upon which to measure the value of the services provided" and that "[t]his is true regardless of the manner in which the entity compensates its employees." But the DCL also provides an important exception to the ban on tuition revenue-sharing arrangements between institutions and third parties. According to the DCL, ED does not consider payment based on the amount of tuition generated by an institution to violate the incentive compensation ban if the payment compensates an "unaffiliated third party" that provides a set of "bundled services" that includes recruitment services, such as those we provide. Example 2-B in the DCL is described as a "possible business model" developed "with the statutory mandate in mind." Example 2-B describes the following as a possible business model:

> "A third-party that is not affiliated with the institution it serves and is not affiliated with any other institution that provides educational services, provides bundled services to the institution including marketing, enrollment application assistance, recruitment services, course support for online delivery of courses, the provision of

technology, placement services for internships, and student career counseling. The institution may pay the entity an amount based on tuition generated for the institution by the entity's activities for all the bundled services that are offered and provided collectively, as long as the entity does not make prohibited compensation payments to its employees, and the institution does not pay the entity separately for student recruitment services provided by the entity."

The DCL guidance indicates that an arrangement that complies with Example 2-B will be deemed to be in compliance with the incentive compensation provisions of the HEA and ED's regulations. Our business model and contractual arrangements with our university partners closely follow Example 2-B in the DCL. In addition, we assure that none of our "covered employees" is paid any bonus or other incentive compensation in violation of the rule.

Because the bundled services rule was promulgated in the form of agency guidance issued by ED in the form of a DCL and is not codified by statute or regulation, the rule could be altered or removed without prior notice, public comment period or other administrative procedural requirements that accompany formal agency rulemaking. Similarly, a court could invalidate the rule in an action involving our company or our university partners, or in action that does not involve us at all. The revision, removal or invalidation of the bundled services rule by Congress, ED or a court could require us to change our business model in ways that could be detrimental to our business.

Borrower Defense to Repayment regulations. Under the HEA and its implementing regulations, students may file a claim with ED to discharge their FDL Loans if, generally, they believe their institution misled them or engaged in other misconduct related to the making of their federal loans or the provision of their educational services. This is referred to as a "borrower defense to repayment" or "BDR" claim. The regulations governing the standards and processes pursuant to which BDR claims are adjudicated have been revised multiple times since their introduction in 1994, with the result that the current regulatory framework is extraordinarily complex. It is generally the case that an individual BDR claim would be adjudicated by an ED staff member and any subsequent recoupment process against the applicable institution initiated by ED would be overseen by a hearing official. But the specific standards and processes that apply vary depending on when the underlying loan was made, and certain versions of the law permit the formation of a group claims process by ED.

In November 2022, the Biden administration promulgated a revised version of the BDR rule, which took effect on July 1, 2023. In August 2023, the U.S. Court of Appeals for the Fifth Circuit issued a nationwide preliminary injunction, enjoining the implementation of the borrower defense and closed school provisions of that rule. While this case is decided, the previous versions of the borrower defense and closed school provisions are in effect.

Litigation related to the various iterations of the BDR regulations, and the enforcement of these regulations has made this area complicated for all parties to understand and assess. Further, the lack of adjudications in this area has also made things less clear. Nonetheless, if our university partners are determined to have violated this regulation there could be significant sanctions imposed, whether related to the recoupment of any loans extinguished by ED, the imposition of letters of credit, or other sanctions under the financial responsibility or administrative capability regulations (among others). This could put a financial strain on our university partners and negatively affect our business. Also, if we were determined to have been the cause of the meritorious BDTR claim, our partners may have claims against us.

Note, the borrower defense to repayment regulations discussed herein were and are extensive and this does not attempt to discuss all the facets of any of the versions of these regulations. We cannot determine what effect, if any, these regulations may have on out university partners or on us.

Compliance reviews. Our university partners institutions are subject to announced and unannounced compliance reviews and audits by various external agencies, including ED, its Office of Inspector General, state licensing agencies, the applicable state approving agencies for financial assistance to veterans, and accrediting commissions. As part of ED's ongoing monitoring of institutions' administration of the Title IV programs, the HEA also requires institutions to annually submit to ED a Title IV compliance audit conducted by an independent certified public accountant in accordance with applicable federal and ED audit standards. In addition, to enable ED to make a determination of an institution's financial responsibility, each institution must annually submit audited financial statements prepared in accordance with ED regulations.

As a third-party servicer, not only are our university partners subject to reviews and audits that may require our involvement, but we are also subject to program reviews from ED and the Office of the Inspector General. Further, we

also have an obligation to annually submit to ED a Title IV compliance audit conducted by an independent certified public accountant in accordance with applicable federal and ED audit standards.

Gainful employment rules. Under the HEA, proprietary schools are eligible to participate in Title IV programs in respect of educational programs that lead to "gainful employment in a recognized occupation," with the limited exception of qualified programs leading to a bachelor's degree in liberal arts. ED attempted to define this in a series of regulations from 2010 to 2016. On July 1, 2019, ED rescinded the previously enacted gainful employment regulations. While this change was effective July 1, 2020, ED also permitted institutions to enact this change as early as July 1, 2019, so long as any such institution made manifest its intention to be subject to the rescinded regulations. It is our understanding that GCU had made manifest that intention and, as of July 1, 2019, was no longer subject to the gainful employment rules. Given that GCU is currently our only university partner that is considered a proprietary school by ED, the gainful employment rules apply to it but not to our other university partners. While GCU largely complied with the previously published gainful employment rules, those rules did indicate that four current degree programs were in the "Zone" – that is, potentially faced sanctions in the future if GCU could not reform the programs to comply with the regulations – including three undergraduate education programs and the Masters in Theology.

ED published new gainful employment regulations in 2023, which became effective July 1, 2024. These new regulations establish rules for annually evaluating GCU's educational programs based on the calculation of debt-to-earnings rates (an annual debt-to-earnings rate and a discretionary debt-to-earnings rate) and a median earnings measure. ED will calculate these rates and measures under complex regulatory formulas outlined in the regulations and using data such as student debt (including not only Title IV loans but also certain private loans and extensions of credit), student earnings data, and comparative median earnings data for young working adults with only a high school diploma or GED. If GCU's programs were to yield debt-to-earnings rates or a median earnings measure that do not comply with regulatory benchmarks for two of three consecutive years, they would lose Title IV eligibility for each of the impacted educational programs. The regulations will also require institutions to provide warnings to current and prospective students for programs in danger of losing Title IV eligibility (which could deter prospective students from enrolling and current students from continuing their respective programs). The regulations also include provisions for providing certifications and reporting data to ED and providing required student disclosures related to gainful employment.

The regulations include gainful employment rates and measures that will be based in part on data that is not readily accessible to us or GCU, which makes it difficult for us to predict with certainty how GCU's educational programs will perform under the new gainful employment benchmarks and the extent to which certain programs could become ineligible for Title IV participation. ED released performance data at the time it published the proposed regulations that calculates rates for each school's programs while acknowledging that the methodology used to produce the calculations differs from the methodology in the proposed regulations due to limitations in data availability. Because neither we nor GCU nor ED have access to all of the data that will ultimately be used to evaluate GCU's programs, we cannot predict whether, or the extent to which, GCU's programs could fail to comply with the new gainful employment benchmarks. Moreover, we do not have control over some of the factors that could impact the rates and measures for GCU's programs which will limit our ability to eliminate or mitigate the impact of the regulations on us and GCU's educational programs.

Although we cannot predict how GCU's programs will perform under the new gainful employment metrics, the performance data released suggests that in general the programs that were in the "Zone" under the previous gainful employment rules - certain undergraduate teacher education and theology programs as well as certain Master's in Counseling programs - are in jeopardy of failing under the new rules. Given that the primary issue for the undergraduate programs that are in jeopardy of failing the new rules is not high average debt levels but rather relatively low earnings rates for first year teachers, it will be difficult for GCU to make material changes to ensure these programs do not fail. The Master's of Counseling programs that are in jeopardy of failing are long duration programs as required by the programmatic accreditation standards and the Title IV regulations allow graduate students to borrow substantially more than is required to pay tuition. Accordingly, the debt levels for these programs are higher than the university's average. Thus, the implementation of the new gainful employment regulations could require GCU to eliminate or modify these educational programs, could result in the loss of Title IV program funds for the affected programs, and could have a significant impact on the rate at which students enroll in these programs. In addition, given ED's continued refusal to recognize GCU's non-profit status, students in GCU programs that fail the new metrics may lose Title IV eligibility.

Substantial misrepresentation. The HEA prohibits an institution that participates in Title IV programs from engaging in "substantial misrepresentation" of the nature of its educational program, its financial charges, or the

employability of its graduates. ED has defined a misrepresentation as any statement made by the institution or a third party that provides educational programs, marketing, advertising, recruiting, or admissions services to the institution that is false, erroneous or has the likelihood or tendency to deceive. A substantial misrepresentation is any misrepresentation on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person's detriment.

The regulation also covers statements made by any representative of an institution, including agents, employees and subcontractors, and statements made directly or indirectly to any third party, including state agencies, government officials or the public, and not just to students or prospective students. Therefore, we are subject to this regulation.

Considering the breadth of the definition of "substantial misrepresentation," it is possible that despite our efforts to prevent such misrepresentations, our employees or contractors may make statements that could be construed as substantial misrepresentations for which our university partners would be held responsible by ED. We and our employees and subcontractors, as agents of our university partners, must use a high degree of care to comply with such rules and are prohibited by contract from making any false, erroneous or misleading statements about our university partners. To avoid an issue under the misrepresentation rule and similar rules, we assure that all marketing materials are approved in advance by our university partners before they are used by our employees and subcontractors in their conversations with students and prospective students. Additionally, matters regarding substantial misrepresentation, and defining what constitutes "aggressive recruiting," are currently the subject of negotiated rulemaking. While we are watching this process closely, we cannot determine what the outcome will be or the effect of these regulations on our university partners or on GCE.

Despite our best efforts, we or our university partners may face complaints from our university partners' students and prospective students over statements made by us and our agents throughout the conduct of our services that would expose our university partners, and derivatively us, to increased risk of enforcement action and applicable sanctions or other penalties and increased risk of private qui tam actions under the Federal False Claims Act. Also, if ED determines that an institution (including its contractors) has engaged in substantial misrepresentation, ED may revoke an institution's program participation agreement, impose limitations on the institution's participation in Title IV programs, deny applications from the institution for approval of new programs or locations or other matters, or initiate proceedings to fine the institution or limit, suspend, or terminate its eligibility to participate in Title IV programs.

Similar rules apply under state laws or are incorporated in institutional accreditation standards, and the FTC applies similar rules prohibiting any unfair or deceptive marketing practices to the education sector. In October 2021, the FTC announced that it was resurrecting its Penalty Offense Authority under Section 5(m) of the FTC Act. Under the FTC Act, the FTC may secure penalties against entities not a party to an original proceeding if the FTC can show that the entity had actual knowledge that the conduct in question was found to be unfair or deceptive. Entities that have actual knowledge of acts or practices the FTC has found to be unlawful and that subsequently engage in such unlawful acts or practices may be held liable for civil penalties up to $50,120 per violation. Also in October 2021, in an effort to establish actual knowledge and create a pathway for penalties in the event of post-notice acts or practices, the FTC issued notice to the 70 largest for-profit schools based on enrollment and revenues. The notice included a list of acts and practices that the FTC has determined are unfair or deceptive, including but not limited to acts relating to misrepresentation of employment opportunities and other benefits, together with citation to various prior determinations from cases previously litigated by the FTC. Because of ED's decision to continue to treat GCU as a for-profit institution for Title IV purposes, GCU received this notice. The FTC made clear at that time that receipt of the notice itself did not reflect any assessment as to whether GCU has engaged in deceptive or unfair conduct.

If ED or another regulator determines that statements made by us or on our behalf are in violation of the regulations, we could be subject to sanctions and other liability, which could have a material adverse effect on our business.

Coordinated actions by certain federal agencies. The Transaction was approved by GCU's board of trustees based on its conclusion that it would be in the best interest of GCU's students, faculty and staff for GCU to operate under the non-profit status that it previously held prior to 2004. Prior to the closing of the Transaction, the IRS, HLC and the State of Arizona approved GCU's non-profit designation. However, in November 2019, in connection with its approval of the Transaction without conditions, ED informed GCU that GCU does not satisfy ED's definition of a non-profit entity and, as a result, that ED will continue to treat GCU as a proprietary institution for purposes of its continued participation in Title IV programs. Upon receipt of this determination, GCU and GCE entered into ongoing discussions

and negotiations that were then provided by GCU to ED regarding proposed changes to the services agreement between GCU and GCE and providing ED, upon request, with an updated transfer pricing study demonstrating that the revenue sharing arrangement reflected in the services agreement reflected fair market value for the services we provide. Despite the ongoing discussions and negotiations, ED again denied GCU's non-profit status in January 2021. Thereafter, in order to pursue all available avenues for recourse on this matter, GCU opted to file a lawsuit against the ED, alleging that its 2019 and 2021 decisions overstepped its authority. While ED's decision to continue to treat GCU as a for-profit institution was upheld by the federal district court in Arizona, in November 2024, the United States Court of Appeals for the Ninth Circuit unanimously held that ED had failed to apply the correct legal standards in reviewing GCU's application and it reversed the district court's decision and remanded with instructions to set aside ED's decision and to remand to ED for further proceedings.

In October 2021, at the same time that the FTC issued the notice to the 70 for-profit schools as mentioned above, the FTC issued a public statement indicating that it would coordinate efforts with ED and the VA to investigate for-profit universities in furtherance of the notice. Since the FTC's statement, ED, the VA and the FTC have initiated multiple actions against GCU, including audits, compliance reviews, civil investigative demands, fines and lawsuits, and the FTC has initiated civil investigative demands and a lawsuit against us, that allege, among other things, misrepresentations made in connection with marketing activities, including statements made related to GCU's non-profit status.

These actions appear to have been coordinated in the manner described in the 2021 FTC statement. These actions, or any future actions by ED, FTC or any other federal or state government agencies or accrediting bodies with oversight over us or GCU, if ultimately resolved adversely to us or GCU, could result in monetary penalties and liabilities, further impact GCU's non-profit status, and/or cause reputational harm. See *Part I, Item 3. Legal Proceedings* for a discussion of certain litigation matters to which we are a party.

Negotiated rulemaking. ED periodically issues new regulations and guidance that can have an adverse effect on our partner institutions. ED has changed its regulations, and may make other changes in the future, in a manner which could require us to incur additional costs in connection with providing the services that we provide our university partners affect their ability to remain eligible to participate in the Title IV programs, impose restrictions on their participation in the Title IV programs, affect the rate at which students enroll in our partners' programs, or otherwise have a significant impact on our business and results of operations. We cannot predict with certainty the ultimate combined impact of the regulatory changes which have occurred in recent years, nor can we predict the effect of future legislative or regulatory action by federal, state or other agencies regulating our operations or those of our university partners, how any resulting regulations will be interpreted or whether we and our university partner institutions will be able to comply with these requirements in the future. Any such actions by legislative or regulatory bodies that affect our operations or those of our university partners could have a material adverse effect on our business and that of university partner institutions.

Regulatory Standards that May Restrict Institutional Expansion or Other Changes

Many actions that our university partners may wish to take in connection with expanding their operations or other changes are subject to review or approval by the applicable regulatory agencies. For example, requirements and standards of state post-secondary agencies, accrediting commissions, and ED limit an institution's ability in certain instances to establish additional teaching locations, implement new educational programs, or increase enrollment in certain programs. Many states require review and approval before institutions can add new locations or programs, and many states limit the number of pre-licensure professional students (such as nursing) colleges may enroll. Similarly, accrediting agencies (institutional and programmatic) generally require institutions to notify them in advance of adding new locations or implementing new programs, and upon notification may undertake a review of the quality of the facility or the program and the financial, academic, and other qualifications of the institution.

With respect to ED, if an institution participating in the Title IV programs plans to add a new location or educational program, the institution must generally apply to ED to have the additional location or educational program designated as within the scope of the institution's Title IV eligibility. Institutions that are fully certified to participate in the Title IV programs are not required to obtain ED's approval of additional programs that lead to a bachelor's, professional, or graduate degree at the same degree level as programs previously approved by ED. GCU, because it is currently certified to participate in the Title IV programs on a provisional basis, is required to obtain ED approval for new programs, which requirement could impede GCU's ability to introduce new programs and slow its growth.

Item 1A. ***Risk Factors***

There are many factors that affect our business, financial condition, operating results, and cash flows as well as the market price for our securities. The following is a description of important factors that may cause our actual results of operations in future periods to differ materially from those currently expected or discussed in forward-looking statements set forth in this Annual Report. Additional risks and uncertainties not presently known to us or that we may currently deem immaterial also may impair our business operations. Forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Annual Report, and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except to the extent otherwise required by law. See "Forward-Looking Statements." These risk factors should be read in conjunction with other information set forth in this Annual Report, including Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, and Item 8, Consolidated Financial Statements and Supplementary Data, including the related Notes to Consolidated Financial Statements.

Although we currently provide services to 22 university partners across the United States, GCU is, and will for the foreseeable future remain, our most significant university partner. Accordingly, the risk factors set forth below also include risks attributable to GCU's operations, which could materially affect us.

Risk Factor Summary

The following is a summary of the material risk factors that could adversely affect our business, financial condition, and operating results:

- We earn a large percentage of our revenue through our contractual relationship as a service provider to GCU, and a decline in GCU's enrollment could significantly reduce our revenue and impact our overall financial performance.
- GCU's board of trustees and management have fiduciary and other duties that require them to focus on the best interests of GCU and, over time, those interests could diverge from those of GCE.
- Our Chief Executive Officer's role as President of GCU may adversely affect his ability to run GCE.
- If we are determined to have paid improper incentive compensation to our covered employees, or tuition sharing arrangements are deemed to violate the incentive compensation regulations, our business will be impaired.
- Our success depends, in part, on our ability to recruit new students to enroll with our university partners.
- A decline in the overall growth of enrollment in post-secondary institutions, or in the number of students seeking degrees online, could cause our university partner institutions to experience lower enrollment, which could negatively impact our future growth.
- We face competition from established and other emerging companies, which could divert university partners to our competitors, result in pricing pressure and significantly reduce our revenue.
- We are subject to laws and regulations as a result of our collection and use of personal information, and any violations of such laws or regulations, or any breach, theft, or loss of such information, could adversely affect our reputation and operations.
- We are required to comply with The Family Educational Rights and Privacy Act, or FERPA, and failure to do so could harm our reputation and negatively affect our business.
- Capacity constraints, system disruptions, or security breaches in our online computer networks and phone systems could have a material adverse effect on our ability to attract and retain students.
- We may have difficulty integrating future acquisitions, which would reduce the anticipated benefits of those transactions.

- Our failure, or our university partners' failure, to comply with the extensive regulatory requirements governing institutions of higher education could result in financial penalties, restrictions on our operations or growth, or loss of external financial aid funding for our university partners' students.
- Rulemaking by ED could materially and adversely affect our business.
- Recently published regulations could materially and adversely affect our business.
- If ED does not recertify a university partner institution to continue participating in the Title IV programs, the students we assist would lose their access to Title IV program funds, or a university partner institution could be recertified but be required to accept significant limitations as a condition of its continued participation in the Title IV programs.
- A university partner institution could lose the ability to participate in the Title IV programs if it fails to maintain its institutional accreditation, and our university partners' student enrollments could decline if a university partner institution fails to maintain any of its accreditations or approvals.
- A university partner institution may lose eligibility to participate in the Title IV programs if its student loan default rates are too high.
- A finding by ED or other regulators that we or our university partner institutions misrepresented the nature of our partner institutions' educational programs could materially and adversely affect our business.
- A reduction in funding or new restrictions on eligibility for the Federal Pell Grant Program, or the elimination of subsidized Stafford loans, could make college less affordable for certain students at our university partner institutions, which could negatively impact our university partner institutions' enrollments, and thus our revenue and results of operations.
- If our university partner institutions do not maintain state authorization, they may not operate or participate in the Title IV programs.
- Government agencies, regulatory agencies, and third parties may conduct compliance reviews, bring claims, or initiate litigation against us or our university partners based on alleged violations of the extensive regulatory requirements applicable to us and our university partners.
- The regulatory guidance governing third-party servicers imposes a number of requirements on our business and may expose us to liability for certain regulatory violations that are coextensive with our university partner institutions.

Risks Related to Our Relationship with GCU

We earn a large percentage of our revenue through our contractual relationship as a service provider to GCU, and a decline in GCU's enrollment could significantly reduce our revenue and impact our overall financial performance.

We expect the revenue derived from our Master Services Agreement with GCU to account for a large percentage of our revenue for the foreseeable future. Any decline in reputation or changes in GCU policies that adversely affect its student enrollment and its overall financial and operating results, including as a result of adverse government actions taken against GCU, could materially impact us. Furthermore, GCU has the right to terminate the Master Services Agreement after July 1, 2025 upon at least eighteen (18) months prior written notice, and, upon the termination or expiration of the Master Services Agreement, GCU is not required to continue using us as the provider of the services thereunder. If GCU were to terminate or not renew its relationship with us, or if its enrollment were to materially decline for any reason, it could negatively affect our reputation and materially adversely impact our revenue and operating results.

GCU's board of trustees and management have fiduciary and other duties that require them to focus on the best interests of GCU and, over time, those interests could diverge from those of GCE.

We believe that our relationship with GCU is and will remain strong. However, GCU has an independent board of trustees that, along with its management, have fiduciary and other duties that require them to focus on the best interests of GCU. Over time, and for various reasons, those interests could diverge from the interests of GCE. Should those interests diverge in a meaningful way, it could lead to changes in the relationship that would be adverse to us.

Our Chief Executive Officer's role as President of GCU may adversely affect his ability to run GCE.

Mr. Brian E. Mueller has served as the Chief Executive Officer of GCE since 2008, the Chairman of the Board of Directors since 2017 and the President of GCU since 2012. In connection with the Transaction, the Board of Directors of GCE and the board of trustees of GCU each independently determined that Mr. Mueller should retain those roles. Accordingly, Mr. Mueller serves as the Chairman of the Board of Directors and Chief Executive Officer of GCE and as the President of GCU, although he is prohibited from serving on the board of trustees of GCU. In continuing to retain Mr. Mueller's services, our Board of Directors and the board of trustees of GCU each recognize that Mr. Mueller's dual role could raise conflict of interest issues. In this regard, at the time of the Transaction, GCU adopted governance provisions that prohibit Mr. Mueller from serving on the board of trustees of GCU. In addition, we and GCU also jointly imposed a structure, through GCU's governance documents and through express provisions of the Master Services Agreement, which prevent Mr. Mueller from participating in day-to-day management of, or negotiations between GCE and GCU relating to, the Master Services Agreement. While we believe that these safeguards have worked well to date, and that Mr. Mueller's role with GCE continues to be in the best interests of GCE and is stockholders, we remain alert to conflict issues on an ongoing basis. Any such conflicts, as well as any adverse impact that Mr. Mueller's dual capacity could have on his ability to devote time, attention, and effort to GCE, could be detrimental to our business.

Other Risks Related to Our Business

If we are determined to have paid improper incentive compensation to our covered employees, or tuition sharing arrangements are deemed to violate the incentive compensation regulations, our business will be impaired.

An institution that participates in the Title IV programs may not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any person or entity engaged in any student recruitment, admissions, or financial aid awarding activity. Since we are involved in recruiting and admissions activities, on behalf of our university partners, under current regulations, we are prohibited from offering our "covered employees," who are generally those GCE employees involved with or responsible for recruiting or admissions activities on behalf of our university partners, any bonus or incentive-based compensation based on the successful recruitment, admission or enrollment of students into a postsecondary institution. We are also precluded from offering our covered employees that work on financial aid matters (if any), any bonus or incentive-based compensation based on the award of financial aid to students enrolled in a postsecondary institution. If it were determined that any of our compensation practices violated the incentive compensation law, we could experience an adverse outcome in pending litigation and be subject to substantial monetary liabilities, fines, and other sanctions, any of which could have a material adverse effect on our business, prospects, financial condition and results of operations and could adversely affect our stock price. *See Part 1, Item 3 – Litigation* for a discussion of certain litigation matters to which we are a party.

In addition, the incentive compensation rule raises a question as to whether companies like ours, as an entity, are prohibited from entering into tuition revenue-sharing arrangements with university partners. On March 17, 2011, ED issued official agency guidance, known as a "Dear Colleague Letter," or the DCL, providing guidance on this point. The DCL states that "[t]he Department generally views payment based on the amount of tuition generated as an indirect payment of incentive compensation based on success in recruitment and therefore a prohibited basis upon which to measure the value of the services provided" and that "[t]his is true regardless of the manner in which the entity compensates its employees." But the DCL also provides an important exception to the ban on tuition revenue-sharing arrangements between institutions and third parties. According to the DCL, ED does not consider payment to a third-party service provider based on the amount of tuition generated by an institution to violate the incentive compensation ban if the payment compensates an "unaffiliated third party" that provides a set of "bundled services" that includes recruitment services, such as those we provide. Example 2-B in the DCL is described as a "possible business model" developed "with the statutory mandate in mind." Example 2-B describes the following as a possible business model:

> "A third party that is not affiliated with the institution it serves and is not affiliated with any other institution that provides educational services, provides bundled services to the institution including marketing, enrollment application assistance, recruitment services, course support for online delivery of courses, the provision of technology, placement services for internships, and student career counseling. The institution may pay the entity an amount based on tuition generated for the institution by the entity's activities for all the bundled services that are offered and provided collectively, as long as the entity does not make prohibited compensation

payments to its employees, and the institution does not pay the entity separately for student recruitment services provided by the entity."

The DCL guidance indicates that an arrangement that complies with Example 2-B will be deemed to be in compliance with the incentive compensation provisions of the HEA and ED's regulations. Our business model and contractual arrangements with our university partners closely follow Example 2-B in the DCL. In addition, we assure that none of our "covered employees" is paid any bonus or other incentive compensation in violation of the rule.

Because the bundled services rule was promulgated in the form of agency guidance issued by ED in the form of a DCL and is not codified by statute or regulation, the rule could be altered or removed without prior notice, public comment period or other administrative procedural requirements that accompany formal agency rulemaking. Similarly, a court could invalidate the rule in an action involving our company or our university partners, or in action that does not involve us at all. The revision, removal or invalidation of the bundled services rule by Congress, ED or a court could require us to change our business model in ways that could be detrimental to our business.

Our success depends, in part, on our ability to recruit new students to enroll with our university partners.

Building awareness of our university partner institutions, and the programs they offer, is critical to our ability to attract prospective students to those institutions. It is also critical to our success that we convert prospective students to enrolled students in a cost-effective manner and that these enrolled students remain active in the programs of our university partner institutions. The tightness of the job market has historically had an impact on our ability to successfully recruit new students especially for students considering re-careering into a different field. Historically the percentage of students we recruited who were re-careering was low but with the increase in university partners and off-campus classroom and laboratory sites and the growth in new online licensure programs by GCU, the number of students we recruit who are re-careering is growing. Therefore, changes in the job market will impact our ability to recruit students. Some of the other factors that could prevent us from successfully recruiting, enrolling, and retaining students in those programs include:

- the reduced availability of, or higher interest rates and other costs associated with, Title IV loan funds or other sources of financial aid;
- the emergence of more successful competitors;
- factors related to our marketing, including the costs and effectiveness of Internet advertising and broad-based branding campaigns and recruiting efforts;
- performance problems with our online systems;
- failure of our university partner institutions to maintain institutional and specialized accreditations;
- the requirements of the education agencies that regulate our university partner institutions which could restrict their initiation of new programs and modification of existing programs;
- the requirements of the education agencies that regulate our university partner institutions which restrict the ways schools can compensate persons involved in their recruiting activities;
- increased regulation of online education, including in states in which our university partner institutions do not have a physical presence;
- restrictions that may be imposed on graduates of online programs that seek certification or licensure in certain states;
- student dissatisfaction with our services and programs;
- lack of employment opportunities for graduates of our university partners in fields related to their educational programs:
- damage to our reputation, or to the reputations of our university partners or other adverse effects as a result of negative publicity in the media, in industry or governmental reports, or otherwise, affecting us or other companies in the post-secondary education sector;
- price reductions by competitors that we are unwilling or unable to match;
- a decline in the acceptance of online education; and
- a decrease in the perceived or actual economic benefits that students derive from the programs offered by any university partner institution.

If we are unable to continue to develop awareness of the programs of our university partners, and to provide services to successfully recruit, enroll, and retain students on their behalf, enrollments at our university partners would suffer and our ability to increase revenues and maintain profitability would be significantly impaired.

Macroeconomic conditions and aversion to debt could adversely affect the ability of our university partner institutions to recruit new students and adversely affect our business.

Enrollment in our university partner institutions is affected by changes in economic conditions. Affordability concerns associated with increased living expenses, relocation expenses and the availability of jobs for students attending classes have made it more challenging for our university partner institutions to attract and retain students. Additionally, adverse market conditions could negatively impact the ability of borrowers to borrow the necessary student loans at an acceptable interest rate, which could lead to a decrease in student enrollment in certain cases. If our university partner institutions are unable to attract and maintain students due to unfavorable macroeconomic conditions it could adversely affect our financial condition and results of operations.

Our failure to keep pace with changing market needs and technology could harm our ability to meet the needs of our university partner institutions.

We have invested significant resources to develop and implement features that enhance the online classroom experience, such as delivering course content through streaming video, simulations, and other interactive enhancements as well as technology to meet the back-office support needs of our university partners institutions' students. Our information technology systems and tools could become impaired or obsolete due to our action or failure to act. For instance, we could install new information technology without accurately assessing its costs or benefits, or we could experience delayed or ineffective implementation of new information technology. We also could fail to respond in a timely manner to future technological developments in our industry. Should our actions or failure to act impair or render our information technology less effective, this could have a material adverse effect on our business, financial condition, results of operations and cash flows.

A decline in the overall growth of enrollment in post-secondary institutions, or in the number of students seeking degrees online, could cause our university partner institutions to experience lower enrollment, which could negatively impact our future growth.

Based on industry analyses, enrollment growth in degree-granting, post-secondary institutions is slowing and the number of high school graduates that are eligible to enroll in degree-granting, post-secondary institutions is expected to continue to decrease over the next few years. In order to maintain current growth rates, we will need to attract a larger percentage of students in existing markets to our university partner institutions and work with our university partner institutions to create new academic programs to attract those students. In addition, if job growth in the fields related to our university partners' core disciplines is weaker than expected, as a result of any regional or national economic downturn or otherwise, fewer students may seek the types of degrees that our university partners offer. Our failure to attract new students for our university partners, or the decisions by prospective students to seek degrees in disciplines not offered by our university partners, would have an adverse impact on our future growth.

We face competition from established and other emerging companies, which could divert university partners to our competitors, result in pricing pressure and significantly reduce our revenue.

We expect existing competitors and new entrants to the educational services market to revise and improve their business models constantly in response to challenges from competing businesses, including ours.

Our primary competitors have historically included EmbanetCompass (formerly owned by Pearson) and Wiley Education Services. There are also several new and existing vendors providing some or all of the services we provide to other segments of the education market, and these vendors may pursue the institutions we target. In addition, colleges and universities may choose to continue using or to develop their own solutions in-house, rather than pay for our solutions.

Increased competition may result in changes in the revenue share percentage we are able to negotiate to receive from a university partner. The competitive landscape may also result in longer and more complex sales cycles with prospective university partners, which would negatively affect our ability to add additional university partners and thus our ability to grow our business.

A number of competitive factors could cause us to lose potential university partner opportunities or force us to offer our solutions on less favorable economic terms, including:

- competitors may develop service offerings that our potential university partners find to be more compelling than ours;
- competitors may adopt more aggressive pricing policies and offer more attractive sales terms, adapt more quickly to new technologies and changes in university partner and student requirements, and devote greater resources to the acquisition of qualified students than we can; and
- current and potential competitors may establish cooperative relationships among themselves or with third parties to enhance their products and expand their markets, and our industry is likely to see an increasing number of new entrants and increased consolidation. Accordingly, new competitors or alliances among competitors may emerge and rapidly acquire significant market share.

We may not be able to compete successfully against current and future competitors. In addition, competition may intensify as our competitors raise additional capital and as established companies in other market segments or geographic markets expand into our market segments or geographic markets. If we cannot compete successfully against our competitors, our ability to grow our business could be impaired.

Artificial intelligence is an emerging area of technology that has and may further impact various aspects of our business operations and that of our university partners, and we may not be successful in our artificial intelligence initiatives, which could adversely affect our business, financial condition and/or operating results.

We have made, and expect to continue making, investments in the integration of artificial intelligence ("AI") into our platforms, products, and services. However, AI presents various risks, challenges, and potential unintended consequences that could disrupt our ability to effectively integrate and leverage these technologies. The process of refining and expanding AI-driven offerings may involve significant costs, and there can be no assurance that our efforts will ultimately succeed.

Additionally, competitors may develop more effective or efficient AI solutions, potentially undermining our competitive position. The regulatory environment surrounding AI is still in development, and new laws or regulations could emerge that require substantial adjustments to our business practices. These changes could impose unexpected costs or operational disruptions, and the full scope and impact of such regulatory developments remain uncertain. AI technologies also carry the risk of generating content that is factually incorrect or infringing on third-party intellectual property rights. If we suffer adverse consequences due to any of these factors, it could in turn have a material adverse effect on our reputation, financial performance, and operations.

We are subject to laws and regulations as a result of our collection and use of personal information, and any violations of such laws or regulations, or any breach, theft, or loss of such information, could adversely affect our reputation and operations.

Possession and use of personal information in our operations subjects us to risks and costs that could harm our business. We collect, use, and retain large amounts of personal information regarding our primary university partner's applicants and students, including social security numbers, tax return information, personal and family financial data, and credit card numbers. We also collect and maintain personal information of our employees in the ordinary course of our business. Our services can be accessed globally through the Internet. Therefore, we may be subject to the application of national privacy laws in countries outside the U.S. from which applicants and students access our services. Such privacy laws could impose conditions that limit the way we market and provide our services.

Our computer networks and the networks of certain of our vendors that hold and manage confidential information on our behalf may be vulnerable to unauthorized access, employee theft or misuse, computer hackers, computer viruses, and other security threats. Confidential information may also inadvertently become available to third parties when we integrate systems or migrate data to our servers in connection with periodic hardware or software upgrades.

Due to the sensitive nature of the personal information stored on our servers, our networks may be targeted by hackers seeking to access this data. A user who circumvents security measures could misappropriate sensitive information or cause interruptions or malfunctions in our operations. Although we use security and business controls to limit access and use of personal information, a third party may be able to circumvent those security and business

controls, which could result in a breach of student or employee data and privacy. In addition, errors in the storage, use, or transmission of personal information could result in a breach of privacy for current or prospective students or employees. Possession and use of personal information in our operations also subjects us to legislative and regulatory burdens that could require us to implement certain policies and procedures, such as the procedures we adopted to comply with the Red Flags Rule that was promulgated by the FTC under the federal Fair Credit Reporting Act and that requires the establishment of guidelines and policies regarding identity theft related to student credit accounts, and could require us to make certain notifications of data breaches and restrict our use of personal information. Similarly, California passed the California Consumer Privacy Act (CCPA) in 2018 (which went into effect in 2020), and there are similar bills that have been passed or are pending in a number of other states, as well. These state laws represent a trend toward stronger privacy protections and greater data transparency in the United States. Currently, federal law legislates privacy on an industry-by-industry basis. Without an overarching federal law driving privacy compliance, the risk is high of a patchwork of privacy legislation formed by individual state laws, similar to the states' approach to breach notification obligations. This could not only increase costs for compliance but also raise the risk of enforcement by individual state Attorneys General. A violation of any laws or regulations relating to the collection or use of personal information, including the Gramm-Leach-Bliley Act's Safeguards Rule, could result in the imposition of fines against us. Moreover, ED has published extensive requirements for the protection of student data and has indicated such requirements may be strengthened in the future.

Additionally, university personnel or students, or our employees or independent contractors, could use our online learning platform to store or process regulated personal information without our knowledge. In the event that our systems experience a data security incident, or an individual or entity accesses information without, or in excess of, proper authorization, we could be subject to data security incident notification laws, which may require prompt remediation and notification to individuals. If we are unaware of the data and information stored on our systems, we may be unable to appropriately comply with all legal obligations, and we may be exposed to governmental enforcement or prosecution actions, private litigation, fines and penalties or adverse publicity that could harm our reputation and business. As a result, we may be required to expend significant resources to protect against the threat of these security breaches or to alleviate problems caused by these breaches. A major breach, theft, or loss of personal information regarding our university partner's students and their families or our employees that is held by us or our vendors, or a violation of laws or regulations relating to the same, could have a material adverse effect on our reputation and result in further regulation and oversight by federal and state authorities and increased costs of compliance.

We are required to comply with The Family Educational Rights and Privacy Act, or FERPA, and failure to do so could harm our reputation and negatively affect our business.

FERPA generally prohibits an institution of higher education participating in Title IV programs from disclosing personally identifiable information from a student's education records without the student's consent. Our university partners and their students disclose to us certain information that originates from or comprises a student education record under FERPA. As an entity that provides services to institutions participating in Title IV programs, we are indirectly subject to FERPA, and we may not transfer or otherwise disclose any personally identifiable information from a student record to another party other than in a manner permitted under the statute. If we violate FERPA, it could result in a material breach of our contract with one or more of our university partners and could harm our reputation. Further, in the event that we disclose student information in violation of FERPA, ED could require a university partner to suspend our access to their student information for at least five years, which would significantly and adversely impact our ability to provide our contracted services.

Capacity constraints, system disruptions, or security breaches in our online computer networks and phone systems could have a material adverse effect on our ability to attract and retain students.

The performance and reliability of the infrastructure of our computer networks and phone systems, including the online programs of our university partners, is critical to our operations, our reputation and our ability to attract and retain students on our university partners' behalf. Any computer system disruption or failure, or a sudden and significant increase in traffic on the servers that host our online operations, may result in the online courses and programs being unavailable for a period of time. In addition, any significant failure of our computer networks or servers, whether as a result of third-party actions or in connection with planned upgrades and conversions, could disrupt our operations. Individual, sustained, or repeated occurrences could significantly damage the reputation of our technology and services and result in a loss of potential or existing students of our university partner institutions. Additionally, our operations are vulnerable to interruption or malfunction due to events beyond our control, including natural disasters and network and

telecommunications failures. Our computer networks may also be vulnerable to unauthorized access, computer hackers, computer viruses, malicious code, organized cyber-attacks and other security problems. A user who circumvents security measures could misappropriate proprietary information or cause interruptions to or malfunctions in operations. As a result, we may be required to expend significant resources to protect against the threat of these security breaches or to alleviate problems caused by these incidents. Any interruption to our operations could have a material adverse effect on our ability to attract students to our university partner's programs and to retain those students.

We may have difficulty integrating future acquisitions, which would reduce the anticipated benefits of those transactions.

We intend to continually evaluate potential acquisitions of complementary businesses, products, services and technologies, including those that are significant in size and scope. The risks we may encounter in acquisitions include:

- if we incur significant debt to finance a future acquisition and our business does not perform as expected, we may have difficulty complying with debt covenants;
- if we use our stock to make a future acquisition, it will dilute existing stockholders;
- we may have difficulty integrating the operations and personnel of any acquired company;
- we may face the challenges and additional investments involved with integrating new products, services and technologies into our sales and marketing process associated with any acquired business;
- our ongoing business may be disrupted by transition and integration issues with any acquired business;
- the costs and complexity of integrating the internal information technology infrastructure of each acquired business with ours may be greater than expected and may require additional capital investments;
- we may be unable to achieve the financial and strategic goals for any acquired businesses;
- we may have difficulty in maintaining controls, procedures and policies during the transition and integration period following a future acquisition;
- our relationships with existing university partners could be adversely affected following an acquisition; and
- as successor we may be subject to certain liabilities of our acquisition targets.

Our failure to effectively integrate any future acquisition would materially limit the benefit of such transaction, including potential synergies or sales growth opportunities, in the time frame anticipated.

Risks Related to the Extensive Regulation of the Higher Education Industry

Our failure, or our university partners' failure, to comply with the extensive regulatory requirements governing institutions of higher education could result in financial penalties, restrictions on our operations or growth, or loss of external financial aid funding for our university partners' students.

To participate in the Title IV programs, a school must be authorized by the appropriate state post-secondary agency or agencies, be accredited by an accrediting commission recognized by ED, and be certified as an eligible institution by ED. In addition, the operations and programs of our university partners, and any future university partners, are regulated by other state education agencies and additional specialized accrediting commissions. As a result of these requirements, we are subject to extensive regulation from state entities, institutional accrediting commissions, specialized accrediting commissions, and ED. These regulatory requirements cover many of our operations, as well as the operations of our university partners. These include regulations related to educational programs, instructional and administrative staff, administrative procedures, marketing, recruiting, financial operations, and financial condition of any university partner. These regulatory requirements also affect our ability to assist university partner institutions with adding new educational programs and changing existing educational programs. The agencies that regulate higher education periodically revise their requirements and modify their interpretations of existing requirements. Regulatory requirements are not always precise and clear, and regulatory agencies may sometimes disagree with the way we have (or any university partner has) interpreted or applied these requirements. Any misinterpretation of regulatory requirements could materially adversely affect us. If we fail, or any university partner institution fails, to comply with any of these regulatory requirements, we or any university partner could suffer financial penalties, limitations on operations, or other sanctions, each of which could materially adversely affect us. In addition, if we or any university partner are charged with regulatory violations, our reputation could be damaged, which could have a negative impact on our stock price and enrollments at university partner institutions. ED and other regulators have increased the frequency and severity of their enforcement actions against post-secondary schools, including our primary university partner. In some cases, these enforcement actions have resulted in material sanctions, loss of Title IV eligibility, or closure in

schools. We cannot predict with certainty how all of these regulatory requirements will be applied, or whether we will be able to comply with all of the applicable requirements in the future.

Rulemaking by ED could materially and adversely affect our business.

Over the past few years, ED has regularly promulgated new regulations and guidance that impact our university partners and our business directly. These and other regulations and guidance documents, including those discussed above under "Regulation of our Education Services Business," can increase our operating costs and, in some cases, change the manner in which we operate our business. In addition, because certain of these regulations have been vacated or blocked as a result of litigation challenging the regulations, there remains substantial uncertainty regarding their present or future effectiveness or enforcement. New or amended regulations in the future, particularly regulations focused on third-party service providers, could further negatively impact our business.

Recently published regulations could materially and adversely affect our business.

In addition to other regulations discussed elsewhere (such as the new Gainful Employment regulations), on July 1, 2024 new regulations became effective covering the areas of financial responsibility, administrative capability, certification standards and procedures, and ability to benefit.

Financial Responsibility: The final regulations include an expanded list of mandatory and discretionary triggering events that could result in ED determining that an institution lacks financial responsibility and must submit to ED a letter of credit or other form of acceptable financial protection and accept other conditions on the institution's Title IV Program eligibility.

The final regulations, among other things, modify and substantially expand the number of triggers and, as a result, increase the likelihood that ED could impose a financial protection requirement and other conditions on our university partners. The final rules require the institution to notify ED of a triggering event and provide information demonstrating why the event does not warrant the submission of a letter of credit or imposition of other requirements. The final rules state that, if ED requires financial protection as a result of more than one mandatory or discretionary trigger, ED will require separate financial protection for each individual trigger, which could substantially increase the amount of financial protection we and other institutions could be required to provide to ED.

Examples of mandatory triggering events under the final rules include a lawsuit by a federal or state authority or a qui tam lawsuit in which the Federal government has intervened, where the suit has been pending for 120 days as measured under the regulation; an action where ED seeks to recover the cost of adjudicated claims in favor of borrowers under the borrower defense to repayment regulations and the claims would lower the institution's composite score below 1.0; certain judgments, awards, or settlements in certain lawsuits, mediations, or administrative or arbitration proceedings; certain withdrawals of owner's equity including by dividend; gainful employment issues; accreditor requirements to submit a teach-out plan for reasons related to financial concerns; certain actions taken against a publicly-traded company or failure to timely file certain annual or quarterly reports; 90/10 Rule issues; cohort default rate issues; contributions and distributions occurring near the fiscal year end that materially impact the composite score; certain defaults or other adverse events under a financing arrangement; or certain financial exigencies or receiverships.

Examples of discretionary triggering events under the final regulations include certain accrediting agency actions, certain accreditor events, fluctuations in Title IV volume, high annual dropout rates, indicators of significant change in the financial condition of the institution, the formation by ED of a group process to consider borrower defense claims against the institution, the institution's discontinuation of education programs affecting at least 25 percent of enrolled students receiving Title IV funds, the institution's closure of locations that enroll more than 25 percent of its students who receive Title IV funds, certain state licensing agency actions, the loss of institutional or program eligibility in another federal educational assistance program, a requirement to disclose in a public filing that the company is under investigation for possible violations of law, or if the institution is cited and faces loss of education assistance funds from another federal agency if it does not comply with agency requirements. The final regulations also established new rules for evaluating financial responsibility during a change in ownership.

Administrative Capability: ED assesses the administrative capability of each institution that participates in Title IV programs under a series of separate standards. Failure to satisfy any of the standards may lead ED to find the institution ineligible to participate in Title IV programs or to place the institution on provisional certification as a condition of its participation. The final rules add more standards related to topics such as the provision of adequate financial aid counseling and career services, ensuring the availability of clinical and externship opportunities, the

disbursement of Title IV funds in a timely manner, compliance with high school diploma requirements, preventing substantial misrepresentations, complying with gainful employment requirements, and avoiding significant negative actions with a federal, state, or accrediting agency.

Certification Regulations: The final regulations expanded the grounds for placing institutions on provisional certification, expanded the types of conditions ED may impose on provisionally certified institutions, and expanded the number of requirements contained in the institution's program participation agreement with ED (including, among other requirements, an obligation to comply with all state laws related to closure). The final regulations, allow ED to place institutions on provisional certification if, among other reasons, the institution does not meet financial responsibility factors or administrative capability standards, if the institution is required by ED to submit a letter of credit as a result of a mandatory or discretionary triggering event, or if ED deems the institution to be at risk of closure.

An institution that is provisionally certified receives fewer due process rights than those received by other institutions in the event ED takes certain adverse actions against the institution, is required to obtain prior ED approvals of new campuses and educational programs and may be subject to heightened scrutiny by ED. Provisional certification makes it easier for ED to revoke or decline to renew an institution's Title IV eligibility without undergoing a formal administrative appeal process. The regulations also expand the conditions to which institutions must agree as part of their participation in the Title IV programs.

These final regulations also allow ED to determine whether to certify or impose conditions on an institution based on consideration of factors including, for example, the institution's withdrawal rate, the amounts the institution spent on recruiting activities, advertising, and other pre-enrollment activities, and the passage rate for licensure exams for programs that are designed to meet the educational requirements for a professional license required for employment in an occupation.

These final regulations expand the types of conditions ED can impose on provisionally certified institutions including, for example, restrictions on the addition of new programs or locations; restrictions on the rate of growth or new enrollment of students or of Title IV volume; restrictions on the institution providing a teach-out on behalf of another institution; restrictions on the acquisition of another participating institution (including financial protection requirements); additional reporting requirements; limitations on entering into certain written arrangements with institutions or entities for providing part of an educational program, requirements to submit marketing and recruiting materials to ED for approval (if the institution is alleged or found to have engaged in substantial misrepresentations to students, engaged in aggressive recruiting practices, or violated incentive compensation rules); reporting requirements for institutions that received a government formal inquiry such as a subpoena related to its marketing or recruitment or its federal financial aid, and other potential conditions imposed by ED.

Additionally, in January 2025, ED published another set of regulations. The regulations include:

- A new definition of "distance education course" which provides that a course is considered a distance education course if all instruction occurs exclusively through distance education methods, as defined in existing regulations. This designation applies even if the course includes in-person, non-instructional activities sch as orientation, testing or academic support services;
- Technical changes to the TRIO programs that focus on providing services to individuals from disadvantaged backgrounds;
- Revisions to the return to Title IV process;
- A requirement that an institution is required to document a student's withdrawal date within 14 days of the last date of attendance;
- Clarification regarding the academic progressions of students returning from a leave of absence from a clock-hour/non-term credit hour, subscription-based, and eligible prison education programs;
- Clarification related to programs offered in modules; and
- A requirement that institutions report student enrollment in distance education or correspondence courses.

These changes are effective July 1, 2026, except for the reporting requirements related to distance education and correspondence courses, which take effect on July 1, 2027.

We are still reviewing the final regulations and cannot predict the ultimate impact of the final regulations discussed above, but the final regulations do impose a broad range of additional requirements on institutions, which increases the possibility that our university partners could be subject to additional reporting requirements, potential

liabilities and sanctions, and potential loss of Title IV eligibility if our efforts, or the efforts of our university partners, to modify operations to comply with the new regulations are unsuccessful, which could have a significant impact on our business and results of operations.

If ED does not recertify a university partner institution to continue participating in the Title IV programs, the students we assist would lose their access to Title IV program funds, or a university partner institution could be recertified but be required to accept significant limitations as a condition of its continued participation in the Title IV programs.

ED certification to participate in the Title IV programs lasts a maximum of six years, and institutions are thus required to seek recertification from ED on a regular basis in order to continue their participation in the Title IV programs. An institution must also apply for recertification by ED if it undergoes a change in control, as defined by ED regulations, and may be subject to similar review if it expands its operations or educational programs in certain ways. Certification can be granted on a full or provisional basis and, in instances where ED is reviewing an application for renewal but does not complete the review by the stated date of expiration, may be continued on a month-to-month basis until the review is complete.

For a school that is certified on a provisional basis, ED may revoke the institution's certification without advance notice or advance opportunity for the institution to challenge that action. For a school that is certified on a month-to-month basis, ED may allow the institution's certification to expire at the end of any month without advance notice, and without any formal procedures for review of such action. To our knowledge, such action is very rare and has only occurred upon a determination that an institution is in substantial violation of material Title IV requirements. Our primary university partner, GCU, currently operates under a provisional program participation agreement that expires on June 30, 2026.

There can be no assurance that ED will recertify any university partner institution or that it will not impose conditions or other restrictions on any university partner institution as a condition of approving any future recertification. If ED does not renew or withdraws certification to participate in the Title IV programs from any university partners, students at that institution would no longer be able to receive Title IV program funds. Alternatively, ED could renew a university partner institution's certification, but restrict or delay students' receipt of Title IV funds, limit the number of students to whom it can disburse such funds, or place other restrictions on the institution, or it could delay recertification after any university partners' program participation agreement expires, in which case our university partner's certification would continue on a month-to-month basis. Any of these outcomes could have a material adverse effect on our university partners' enrollments and us.

A university partner institution could lose the ability to participate in the Title IV programs if it fails to maintain its institutional accreditation, and our university partners' student enrollments could decline if a university partner institution fails to maintain any of its specialized accreditations or approvals.

An institution must be accredited by an accrediting commission recognized by ED in order to participate in the Title IV programs. Our primary university partner, GCU, has been regionally accredited by the HLC and its predecessor since 1968, most recently obtaining reaccreditation in 2017 for the ten-year period through 2027. Some of our other university partners are accredited by HLC while the others are accredited by different accrediting bodies that are likely to have standards that are different from those of the HLC. Accrediting bodies review the accredited status of institutions periodically (for example, the HLC reviews institutions every ten years, along with a mid-term report in year four).

If any university partner institution fails to satisfy the relevant accrediting standards, it could lose accreditation, which would cause a revocation of its eligibility to participate in the Title IV programs. This could cause a significant decline in student enrollments and could have a material adverse effect on us. In addition, many university partner institutions will have educational programs that are also accredited by specialized accrediting commissions or approved by specialized state agencies. If our university partner institutions fail to satisfy the standards of any of those specialized accrediting commissions or state agencies, the institution could lose the specialized accreditation or approval for the affected programs, which could result in materially reduced student enrollments in those programs and have a material adverse effect on us.

A university partner institution may lose eligibility to participate in the Title IV programs if its student loan default rates are too high.

An institution may lose its eligibility to participate in some or all of the Title IV programs if, for three consecutive years, 30% or more of its students who were required to begin repayment on their student loans in one year default on their payment by the end of the second full year after such repayment start date. In addition, an institution may lose its eligibility to participate in some or all of the Title IV programs if the default rate of its students exceeds 40% for any single year. While GCU's cohort default rates, for example, have historically been significantly below these levels, we cannot assure you that this will continue to be the case. Increases in interest rates or declines in income or job losses for students could contribute to higher default rates on student loans. In addition, while we will conduct appropriate diligence on new university partner institutions, we cannot guarantee that all university partner institutions will have a cohort default rate as low as GCU. Having a university partner exceed the student loan default rate thresholds and losing eligibility to participate in the Title IV programs would have a material adverse effect on our business, prospects, financial condition, and results of operations. Any future changes in the formula for calculating student loan default rates, economic conditions, or other factors that cause default rates to increase, could materially adversely affect us.

If our university partner institutions do not meet specific financial responsibility standards established by ED, they may be required to post a letter of credit or accept other limitations in order to continue participating in the Title IV programs, or could lose eligibility to participate in the Title IV programs.

To participate in the Title IV programs, an institution must either satisfy specific quantitative standards of financial responsibility prescribed by ED or post a letter of credit in favor of ED and possibly accept operating restrictions as well. These financial responsibility tests are applied to each institution on an annual basis based on the institution's audited consolidated financial statements, and may be applied at other times, such as if the institution undergoes a change in control. These tests may also be applied to an institution's parent company or other related entity. As a service provider, we are not directly subject to this regulation. However, if ED were to determine that a university partner institution did not meet the financial responsibility standards due to a failure to meet the composite score or other financial responsibility factors, ED could impose a range of sanctions on the institution, such as requiring the institution to post a letter of credit, accept provisional certification (which would hamper the ability of the institution to add new programs), comply with additional ED monitoring requirements, agree to receive Title IV program funds under an arrangement other than ED's standard advance funding arrangement, such as the reimbursement system of payment or heightened cash monitoring, and to comply with or accept other limitations on the ability to increase the number of programs offered by our university partner institutions or the number of students they enroll, any of which sanctions could have an adverse impact on our business. For example, GCU, calculated its composite score with respect to its fiscal years ending June 30, 2024 and 2023. As of June 30, 2024 and 2023, GCU's composite score per GCU's audited financial statements was 1.9 and 1.8, respectively, using the proprietary school calculation. If GCU's future composite scores do not exceed 1.5, ED could impose sanctions. If any such sanctions were imposed on GCU or one of our other university partners, it could have a negative impact on our ability to conduct our business. In addition, if its composite score dropped low enough, it could cause GCU to be ineligible for participation in NC-SARA, which would require GCU to become authorized in numerous states in which it operates or has students.

In addition, there are a number of other financial responsibility standards with which institutions must comply, including those discussed above. See "Recently published regulations could materially and adversely affect our business". The failure to comply with these standards could also result in the imposition of various sanctions, such as the imposition of letters of credit. If any such sanctions were imposed on GCU or one of our other university partners, it could have a negative impact on our ability to conduct our business.

If our university partner institutions do not comply with ED's administrative capability standards, we could suffer harm.

To continue participating in the Title IV programs, an institution must demonstrate to ED that the institution is capable of adequately administering the Title IV programs under specific standards prescribed by ED. These administrative capability criteria require, among other things, that the institution have an adequate number of qualified personnel to administer the Title IV programs, have adequate procedures for disbursing and safeguarding Title IV funds and for maintaining records, submit all required reports and consolidated financial statements in a timely manner, and not have significant problems that affect the institution's ability to administer the Title IV programs. As a service provider, we assist our university partners with some facets of these areas. As such, we must be mindful of, and

compliant with, the administrative capability requirements. If our university partner institutions fail to satisfy any of these criteria, ED may assess financial penalties against such institutions, restrict the manner in which those institutions receive Title IV funds, require them to post a letter of credit, place them on provisional certification status, or limit or terminate participation in the Title IV programs, any of which could materially adversely affect us. These regulations were also recently revised, as discussed above, and there may be additional restrictions or requirements that may create additional hurdles to compliance or otherwise materially adversely affect us. As a third-party servicer, if we are the cause of the administrative deficiency, we may also face monetary sanctions and actions to limit, suspend, or terminate our ability to offer those and other services to institutions of higher education.

A finding by ED or other regulators that we or our university partner institutions misrepresented the nature of our partner institutions' educational programs could materially and adversely affect our business.

The HEA prohibits an institution that participates in Title IV programs from engaging in "substantial misrepresentation" of the nature of its educational program, its financial charges, or the employability of its graduates. Under these rules, a misrepresentation is any statement made by the institution or a third party that provides educational programs, marketing, advertising, recruiting, or admissions services to the institution that is false, erroneous or has the likelihood or tendency to deceive or confuse. A substantial misrepresentation is any misrepresentation on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person's detriment. The regulation also covers statements made by any representative of an institution, including agents, employees and subcontractors, and statements made directly or indirectly to any third party, including state agencies, government officials or the public, and not just to students or prospective students. Considering the breadth of the definition of "substantial misrepresentation," it is possible that despite our efforts to prevent such misrepresentations, our employees or contractors may make statements on behalf of our university partner institutions that could be construed as substantial misrepresentations for which our current and any future university partners would be held responsible by ED. We and our employees and subcontractors, as agents of our university partners, must use a high degree of care to comply with such rules and are prohibited by contract from making any false, erroneous or misleading statements about our university partners. To avoid an issue under the misrepresentation rule and similar rules, we assure that all marketing materials are approved in advance by our university partners before they are used by our employees and we carefully monitor our employees and subcontractors in their conversations with students and prospective students.

Despite our best efforts, we or our university partners may face complaints from our university partners' students and prospective students over statements made by us and our agents throughout the conduct of our services that would expose our university partners, and derivatively us, to increased risk of enforcement action and applicable sanctions or other penalties and increased risk of private qui tam actions under the Federal False Claims Act. Also, if ED determines that an institution (including its contractors) has engaged in substantial misrepresentation, ED may revoke an institution's program participation agreement, impose limitations on the institution's participation in Title IV programs, deny applications from the institution for approval of new programs or locations or other matters, or initiate proceedings to fine the institution or limit, suspend, or terminate its eligibility to participate in Title IV programs. For example, in October 2023, ED imposed a fine of $37 million on GCU (which GCU is appealing) related to alleged misrepresentation by GCU regarding the costs of certain doctorate programs. Similar rules apply under state laws or are incorporated in institutional accreditation standards. The FTC applies similar rules prohibiting any unfair or deceptive marketing practices to the education sector and has pursued litigation against us and GCU related in part to these matters. See *Part I, Item 3 – Legal Proceedings – FTC Complaint*. If ED or another regulator determines that statements made by us or on our university partners' behalf are in violation of the regulations, we could be subject to sanctions, legal actions, and other liability, which could have a material adverse effect on our business.

To the extent we are performing return to Title IV calculations for our university partner institutions, we are subject to sanctions if we fail to correctly calculate and timely return Title IV program funds for students who withdraw before completing their educational program.

A school participating in the Title IV programs must calculate the amount of unearned Title IV program funds that it has disbursed to students who withdraw from their educational programs before completing such programs and must return those unearned funds to the appropriate lender or ED in a timely manner, generally within 45 days of the date the school determines that the student has withdrawn. To the extent our services for a university partner include conducting returns to Title IV, as they do with our primary university partner, GCU, we would likely be jointly and severally liable to ED, along with the relevant university partner, for return of those funds. Further, we could be fined or otherwise sanctioned by ED, which could increase our cost of regulatory compliance and materially adversely affect us.

Further, a failure to comply with these regulatory requirements could result in termination of our ability to continue providing these services to other university partner institutions, which would materially adversely affect us.

A reduction in funding or new restrictions on eligibility for the Federal Pell Grant Program, or the elimination of subsidized Stafford loans, could make college less affordable for certain students at our university partner institutions, which could negatively impact our university partner institutions' enrollments, and thus our revenue and results of operations.

The U.S. Congress must periodically reauthorize the HEA and annually determine the funding level for each Title IV program. In 2008, the HEA was reauthorized through September 30, 2013 by the Higher Education Opportunity Act. Changes to the HEA, including changes in eligibility and funding for Title IV programs, are likely to occur in subsequent reauthorizations, but we cannot predict the scope or substance of any such changes.

Any action by Congress that significantly reduces Title IV program funding, whether through across-the-board funding reductions, sequestration or otherwise, or materially impacts the eligibility of our university partner institutions or students to participate in Title IV programs would have a material adverse effect on our university partner institutions' enrollment, financial condition, results of operations and cash flows. Congressional action could also require us to modify our practices in ways that could increase our administrative costs and reduce our operating income, which could have a material adverse effect on our financial condition, results of operations and cash flows.

We cannot offer new programs for our university partners or expand university partner operations into certain states if such actions are not timely approved by the applicable regulatory agencies, and our university partners may have to repay Title IV funds disbursed to students enrolled in any such programs, schools, or states if they do not obtain prior approval.

Our expansion efforts include developing new educational programs for our university partners. If our university partner institutions are unable to obtain the necessary approvals for such new programs or operations, or if our university partner institutions are unable to obtain such approvals in a timely manner, our ability to consummate the planned actions and the ability of our university partner institutions to provide Title IV funds to any affected students would be impaired, which could have a material adverse effect on our expansion plans.

If our university partner institutions do not maintain state authorization, they may not operate or participate in the Title IV programs.

A school that grants degrees or certificates must be authorized by the relevant education agency of the state in which it is located. State authorization is also required for their students to be eligible to receive funding under the Title IV programs. To maintain their state authorization, our university partner institutions must continuously meet standards relating to, among other things, educational programs, facilities, instructional and administrative staff, marketing and recruitment, financial operations, addition of new locations and educational programs, and various operational and administrative procedures. If our university partner institutions fail to satisfy any of these standards, they could lose state authorization to offer educational programs, which would also cause them to lose eligibility to participate in the Title IV programs and have a material adverse effect on us.

In addition, almost every state imposes regulatory requirements on educational institutions that have physical facilities located within the state's boundaries. Individual state laws establish standards in areas such as educational programs, facilities, instructional and administrative staff, marketing and recruitment, financial operations, addition of new locations and educational programs, and various operational and administrative procedures, some of which are different than the standards prescribed by other regulators. Several states have sought to assert jurisdiction over educational institutions offering online degree programs that have no physical location in the state but that have some activity in the state, such as enrolling or offering educational services to students who reside in the state, employing faculty who reside in the state, or advertising to or recruiting prospective students in the state.

State regulatory requirements for online education have historically varied among the states. To address this issue and to meet new ED requirements many schools have applied and have been approved to be approved institutional participants in the State Authorization Reciprocity Agreement ("SARA"). SARA is an agreement among member states, districts and territories that establishes comparable national standards for interstate offering of post-secondary distance education courses and programs. It is intended to make it easier for students to take online courses offered by post-secondary institutions based in another state. SARA is overseen by a national council (NC-SARA) and administered by four regional education compacts. GCU, for example, is a member of SARA in Arizona (AZ-SARA), which is

administered by the Western Interstate Commission for Higher Education (referred to as W-SARA). There is a yearly renewal for participating in NC-SARA and AZ-SARA and institutions must agree to meet certain requirements to participate. All states other than California are members of SARA.

Any state that does not participate in SARA may impose regulatory requirements on out-of-state post-secondary institutions operating within its boundaries, such as those having a physical facility or conducting certain academic activities within the state. GCU, for example, enrolls students in all 50 states and the District of Columbia. Although it is currently licensed, authorized, in-process, or exempt in all non-SARA jurisdictions in which it operates, if GCU fails to comply with state licensing or authorization requirements for a non-SARA jurisdiction, or fails to obtain licenses or authorizations when required, it could lose its license or authorization by that jurisdiction or be subject to other sanctions, including restrictions on its activities in, and fines and penalties imposed by, that jurisdiction, as well as fines, penalties, and sanctions imposed by ED. The loss of licensure or authorization in any non-SARA jurisdiction by a university partner institution could prohibit us from recruiting prospective students or offering services to current students in that jurisdiction, which could significantly reduce our university partner's enrollments.

Laws, regulations, or interpretations related to doing business over the Internet could also increase our cost of doing business and affect our ability to recruit students in particular states, which could, in turn, negatively affect enrollments and revenues and have a material adverse effect on our business. As discussed, ED has started a new negotiated rulemaking addressing state authorization which implicates SARA. While no regulations have been published, any regulation could have a material adverse effect on our business.

Additionally, regulatory agencies may sometimes disagree with the way we have interpreted or applied these requirements. Any misinterpretation by us of these regulatory requirements or adverse changes in regulations or interpretations thereof by regulators could materially adversely affect us. If a university partner institution fails to comply with state licensing or authorization requirements for a state in which it operates, or fails to obtain licenses or authorizations when required, it could lose its state licensure or authorization by that state or be subject to other sanctions, including restrictions on its activities in, and fines and penalties imposed by, that state, as well as fines, penalties, and sanctions imposed by ED. The loss of licensure or authorization in a state other than a state in which a university partner institution is physically located could prohibit us from recruiting prospective students or assisting with offering educational services to current students in that state, which could significantly reduce enrollments.

Furthermore, our university partners must typically maintain a composite score of at least 1.5 to maintain their membership in SARA. Failure to maintain that score, and loss of eligibility for SARA, could result in the loss of the ability to offer online programs in various states unless the university partner is otherwise eligible to do so. This could greatly affect our ability to market our university partners' online programs.

Government agencies, regulatory agencies, and third parties may conduct compliance reviews, bring claims, or initiate litigation against us or our university partners based on alleged violations of the extensive regulatory requirements applicable to us and our university partners.

Because our university partner institutions operate in a highly regulated industry, they are subject to program reviews, audits, investigations, claims of non-compliance, and lawsuits by government agencies, regulatory agencies, students, employees, stockholders, and other third parties alleging non-compliance with applicable legal requirements, many of which are imprecise and subject to interpretation. Similarly, we could be subject to those same reviews. If the result of any such proceeding is unfavorable to our university partners, they may lose or have limitations imposed on their state licensing, accreditation, or Title IV program participation; be required to pay monetary damages (including triple damages in certain whistleblower suits); or be subject to fines, injunctions, or other penalties, any of which could have a material adverse effect on their business, prospects, financial condition, and results of operations. In addition, our largest university partner, GCU, has been subject to additional scrutiny. In October 2021, the FTC issued a public statement indicating that it would coordinate efforts with ED and the VA to investigate for-profit universities, a category that at that time included GCU due to ED's 2019 decision that GCU did not satisfy ED's definition of a non-profit entity and, as a result, that ED would continue to treat GCU as a proprietary institution for purposes of its continued participation in Title IV programs. In the period following the FTC's statement, ED, the VA and the FTC initiated multiple actions against GCU, including audits, compliance reviews, civil investigative demands, fines and lawsuits, and the FTC has initiated civil investigative demands and a lawsuit against us, that allege, among other things, misrepresentations made in connection with marketing activities, including statements made related to GCU's non-profit status. *See "– Regulation of Our University Partners - Coordinated action by federal agencies."* These actions, taken as

a whole, appear to be coordinated in the manner described in the 2021 FTC statement. These actions, or any future actions by ED, FTC or any other federal or state government agencies or accrediting bodies with oversight over us or GCU, if ultimately resolved adversely to us or GCU, could result in monetary penalties and liabilities, further impact GCU's non-profit status, and/or cause reputational harm. At this time, we cannot predict what changes those could be or what effect any of those outcomes could have on our business. Claims and lawsuits, and other regulatory actions, brought or taken against us or our university partners, even if they are without merit, may also result in adverse publicity, negatively affect the market price of our stock, adversely affect student enrollments, and reduce the willingness of third parties to do business with us. Even if we or our university partners adequately address the issues raised by any such proceeding and successfully defend against it, we may have to devote significant financial and management resources to address these issues, which could harm our business. *See Part 1, Item 3 – Litigation* for a discussion of certain litigation matters to which we are a party.

The regulatory guidance governing third-party servicers imposes a number of requirements on our business and may expose us to liability for certain regulatory violations that are coextensive with our university partner institutions.

A "third-party servicer" is any person or entity used by "any eligible institution of higher education to administer, through either manual or automated processing, any aspect of such institution's student assistance programs." Third party servicers must comply with a number of requirements. For example, they must conduct and submit to ED compliance audits under 34 C.F.R. § 668.23. In addition, they must comply with the requirements of 34 C.F.R. § 668.25, which requires third-party servicers, in their contracts with institutions, to be contractually obligated to, among other things:

- Comply with all statutory provisions of or applicable to Title IV of the HEA, including the requirement to use any funds that the servicer administers under any Title IV program and any interest or other earnings thereon solely for the purposes specified in and in accordance with that program;
- Refer to the Office of Inspector General of ED for investigation any information indicating there is reasonable cause to believe that the institution might have engaged in fraud or other criminal misconduct in connection with the institution's administration of any Title IV program or an applicant for Title IV program assistance might have engaged in fraud or other criminal misconduct in connection with his or her application; and
- Be jointly and severally liable with the institution to the Secretary for any violation by the servicer of any statutory provision of or applicable to Title IV of the HEA, any regulatory provision prescribed under that statutory authority, and any applicable special arrangement, agreement, or limitation entered into under the authority of statutes applicable to Title IV of the HEA.

We are also subject to a number of data security and privacy regulations given our role as a third-party servicer and these standards are evolving. To the extent we continue to provide third party servicer functions, we will be subject to these requirements, the compliance with which can materially impact our business model.

Proposed legislation, additional rulemaking or additional examinations from U.S. Congress may impact general public perception of the industry in a negative manner resulting in a material and adverse impact on our business.

The process of re-authorization of the HEA began in 2014 and is ongoing. Congressional hearings began in 2013 and will continue to be scheduled by the U.S. Senate Committee on Health, Education, Labor and Pensions, the U.S. House of Representatives Committee on Education and the Workforce and other Congressional committees regarding various aspects of the education industry, including accreditation matters, student debt, student recruiting, cost of tuition, distance learning, competency-based learning, student success and outcomes and other matters.

Criticisms of the overall student lending and post-secondary education sectors may impact general public perceptions of educational institutions, including our university partner institutions and us, in a negative manner. Adverse media coverage regarding educational institutions – whether or not a university partner – or regarding third party servicers such as us could damage our reputation. The environment surrounding access to and the costs of student loans remains in a state of flux. The uncertainty surrounding these issues, and any resolution of these issues that increases loan costs or reduces students' access to Title IV loans or to student extended payment plans, could reduce student demand for educational programs which would adversely impact our revenues and operating profit or result in increased regulatory scrutiny.

The increased scrutiny and results-based accountability initiatives in the education sector, as well as ongoing policy differences in Congress regarding spending levels, could lead to significant changes in connection with the reauthorization of the HEA or otherwise. These changes may place additional regulatory burdens on postsecondary schools generally, and specific initiatives may be targeted at or have an impact upon companies like us that provide services to institutions of higher education. The adoption of any laws or regulations that limit our ability to provide our bundled services to our university partners could compromise our ability to drive revenue through their programs or make our platform less attractive to them. Congress could also enact laws or regulations that require us to modify our practices in ways that could increase our costs.

Changing requirements related to data privacy may create increased costs and operational difficulties for university partner institutions and, potentially, for GCE.

In December 2020, ED announced that it was finalizing a new Campus Cybersecurity Program framework. This proposed multi-year phased implementation would begin with a self-assessment of the National Institute of Standards and Technology Special Publication 800–171 Rev. 2, Controlled Unclassified Information in Nonfederal Systems (NIST 800–171 Rev. 2) readiness and outreach activities. ED specifically said it was "committed to fully advancing and encouraging all postsecondary institutions' implementation of NIST 800-171 controls." This announcement was addressed both to institutions of higher education and their third-party servicers. In February 2023, ED issued Electronic Announcement GEN 23-09 stating, among other items "The Department will issue guidance on NIST 800-171 compliance in a future Electronic Announcement, but again encourages institutions to begin incorporating the information security controls required under NIST 800-171 into the written information security program required under GLBA as soon as possible."

While details related to this announcement are few, it does suggest that ED will be taking a greater role in ensuring universities and their service providers meet NIST standards and are protecting the students and ED data received. Compliance with NIST will likely increase operational cost if required to come into compliance.

Other General Risks

Our success depends upon our ability to recruit and retain key personnel.

Our success to date has largely depended on, and will continue to depend on, the skills, efforts, and motivation of our executive officers, who generally have significant experience with our business and the education industry, and we may have difficulties in locating and hiring qualified personnel and in retaining such personnel once hired. In addition, other than non-compete agreements of limited duration that we have with certain executive officers, we have not historically sought non-compete agreements with key personnel and they may leave and subsequently compete against us. The loss of the services of any of our key personnel, many of whom are not party to employment agreements with us, or our failure to attract and retain other qualified and experienced personnel on acceptable terms, could cause our business to suffer.

A failure of our information systems to properly store, process and report relevant data may reduce our management's effectiveness, interfere with our regulatory compliance and increase our operating expenses.

We are dependent on the integrity of our data management systems. If these systems do not effectively collect, store and process relevant data for the operation of our business, whether due to equipment malfunctions or constraints, software deficiencies, or human error, our ability to effectively report, plan, forecast and execute our business plan and comply with applicable laws and regulations, including the HEA and the regulations thereunder, will be impaired, perhaps materially. Any such impairment could materially and adversely affect our financial condition, results of operations, and cash flows.

If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired.

We are subject to the reporting requirements of the Securities Exchange Act of 1934, the Sarbanes-Oxley Act and the rules and regulations of The Nasdaq Global Select Market. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are required to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting in our Form 10-K filing for that year, as required by Section 404 of the Sarbanes-Oxley Act. This may require us to incur substantial additional

professional fees and internal costs to further expand our accounting and finance functions and expend significant management efforts. If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements. If that were to happen, the market price of our stock could decline and we could be subject to sanctions or investigations by the stock exchange on which our common stock is listed, the SEC, or other regulatory authorities.

Occurrence of natural or man-made catastrophes could materially and adversely affect our business, financial condition, results of operations and prospects.

Natural events, health epidemics (such as the COVID-19 pandemic), acts of God, terrorist attacks and other acts of violence, cyber-terrorism or other catastrophes could result in significant worker absenteeism, increased student attrition rates for our university partners, lower asset utilization rates, voluntary or mandatory closure of facilities, our inability to meet dynamic employee health and safety requirements, our inability to meet contractual service levels, our inability to procure essential supplies, travel restrictions on our employees and other disruptions to our business. In addition, these events could adversely affect the economy, financial markets and activity levels of our university partners. Any of these events, their consequences or the costs related to mitigation or remediation could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to Owning our Common Stock

Provisions in our charter documents and the Delaware General Corporation Law could make it more difficult for a third party to acquire us and could discourage a takeover and adversely affect existing stockholders.

Anti-takeover provisions of our certificate of incorporation, bylaws, the Delaware General Corporation Law, or DGCL, and regulations of state and federal education agencies could diminish the opportunity for stockholders to participate in acquisition proposals at a price above the then-current market price of our common stock. For example, while we have no present plans to issue any preferred stock, our Board of Directors, without further stockholder approval, may issue shares of undesignated preferred stock and fix the powers, preferences, rights, and limitations of such class or series, which could adversely affect the voting power of your shares. In addition, our bylaws provide for an advance notice procedure for nomination of candidates to our Board of Directors that could have the effect of delaying, deterring, or preventing a change in control. Further, as a Delaware corporation, we are subject to provisions of the DGCL regarding "business combinations," which can deter attempted takeovers in certain situations. The approval requirements of ED, our regional accrediting commission, and state post-secondary, licensure, and certification agencies for a change in control transaction could also delay, deter, or prevent a transaction that would result in a change in control. We may, in the future, consider adopting additional anti-takeover measures. The authority of our Board of Directors to issue undesignated preferred or other capital stock and the anti-takeover provisions of the DGCL, as well as other current and any future anti-takeover measures adopted by us, may, in certain circumstances, delay, deter, or prevent takeover attempts and other changes in control of the company not approved by our Board of Directors.

If securities analysts do not publish research or reports about our business or industry or if they downgrade their evaluations of our stock, the price of our stock could decline.

The activity within the trading market for our common stock depends in part on the research and reports that industry or financial analysts publish about us, our business and the education services sector in which we operate. If analysts cease coverage of us or our sector, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline. In addition, if one or more of the analysts covering us were to downgrade their estimates or evaluations of our stock, the price of our stock could decline.

Because we do not anticipate paying any cash dividends on our common stock in the foreseeable future, capital appreciation, if any, will be your sole source of gains and you may never receive a return on your investment.

You should not rely on an investment in our common stock to provide dividend income. We have not declared or paid cash dividends on our common stock to date. We currently intend to retain our future earnings, if any, to fund the development and growth of our business or to repurchase shares of our common stock. In addition, the terms of our prior credit facility limited, and the terms of any future debt agreements are likely to similarly limit, our ability to pay dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future. Investors seeking cash dividends should not purchase our common stock.

Item 1B. ***Unresolved Staff Comments***

None.

Item 1C. ***Cybersecurity***

Like all companies that utilize technology, we are subject to threats of breaches of our technology systems. To mitigate the threat to our business, we take a comprehensive approach to cybersecurity risk management. Our Board of Directors and our management actively oversee our risk management program, including the management of cybersecurity risks. We have established policies, standards, processes and practices for assessing, identifying, and managing material risks from cybersecurity threats, including those discussed in Item 1A, *Risk Factors*. We have devoted significant financial and personnel resources to implement and maintain security measures to meet regulatory requirements and stakeholder expectations, and we intend to continue to make significant investments to maintain the security of our data and cybersecurity infrastructure. While there can be no guarantee that our policies and procedures will be properly followed in every instance or that those policies and procedures will be effective, we believe that the Company's sustained investment in people and technologies have contributed to a culture of continuous improvement that has put the Company in a position to protect against potential compromises and we do not believe that risks from prior cybersecurity threats, including as a result of any previous cybersecurity incident, have materially affected our business to date. We can provide no assurance that there will not be incidents in the future or that past or future attacks will not materially affect us, including our business strategy, results of operations, or financial condition.

Risk Management and Strategy

At a high level, the key objectives for the Company's cybersecurity program are to implement and sustain effective security controls to stop intrusion attempts and to maintain and continuously improve its ability to respond to attacks and incidents. Success in achieving these objectives relies upon using quality technology solutions, cultivating and maintaining a team of skilled professionals, and improving processes continuously. Our cybersecurity program in particular focuses on the following key areas:

Risk Assessment: At least annually, we conduct a cybersecurity risk assessment that takes into account information from internal stakeholders, known information security vulnerabilities, and information from external sources, including reported security incidents that have impacted other companies, industry trends, and evaluations by third parties and consultants. The results of the assessment are used to develop initiatives to enhance our security controls, make recommendations to improve processes, and inform a broader Company-wide risk assessment that are then reported to our Board, Audit Committee and members of management.

Technical Safeguards: We regularly assess and deploy technical safeguards designed to protect our information systems from cybersecurity threats. Such safeguards are regularly evaluated and improved based on vulnerability assessments, cybersecurity threat intelligence and incident response experience.

Incident Response and Recovery Planning: We have established comprehensive incident response and recovery plans that guide our response in the event of a cybersecurity incident. We continuously test and evaluate the effectiveness of those plans.

Vendor Risk Management: We have implemented a robust vendor risk management program, which is designed to identify and mitigate cybersecurity threats associated with our use of third-party service providers. Such providers are subject to security risk assessments at the time of onboarding, contract renewal, and upon detection of an increase in risk profile. We use a variety of inputs in such risk assessments, including information supplied by providers in response to detailed questionnaires and meetings as well as information from third parties. In addition, we require our providers to meet appropriate security requirements, controls and responsibilities and investigate security incidents that have impacted our third-party providers, as appropriate. Contract language, purchasing decisions, and/or technology implementation strategies are frequently adjusted as a result of this process.

Education and Awareness: Our policies require each of our employees to contribute to our data security efforts. We regularly remind employees of the importance of handling and protecting data, including through annual privacy and security training to enhance employee awareness of how to detect and respond to cybersecurity threats. In this regard, the Company has implemented policies and procedures for all employees including: (i) information security/cybersecurity policies, which are internally available for all employees, (ii) information security/cybersecurity

awareness training; (iii) a clear escalation process which employees can follow in the event an employee notices something suspicious; and (iv) ensuring that information security/cybersecurity is part of the employee performance evaluation and/or disciplinary process.

Governance Disclosure

Board Oversight: The Board of Directors, in coordination with the Audit Committee of the Board, has responsibility for managing the overall risk strategy for the Company, including cyber security risk. Both the Board of Directors and the Audit Committee receive regular reports from management about the prevention, detection, mitigation, and remediation of cybersecurity incidents, including material security risks and information security vulnerabilities. Our Audit Committee directly oversees our cybersecurity program. The Audit Committee additionally receives regular updates from management on cybersecurity risk resulting from risk assessments, progress of risk reduction initiatives, external auditor feedback, control maturity assessments, and relevant internal and industry cybersecurity incidents.

Management's Role: The Company employs a dedicated Chief Information Security Officer ("CISO") who has primary responsibility for assessing and managing material cybersecurity risks. Our CISO reports to the Audit Committee quarterly, to provide updates on any new developments and about the effectiveness of the security program. On behalf of the Audit Committee, the CISO administers a robust risk management program carried out by the Governance, Risk, and Compliance (GRC) team, which is integrated as part of the procurement process when making technology purchases, and also makes recommendations on security policies and procedures, security requirements, and risk mitigation strategies. Our CISO is supported by a highly skilled team of information security professionals, many of whom have advanced certifications and/or graduate degrees relevant to their job requirements. Our team has participated in multiple national and international cyber security exercises, including Cyber Storm, the national training exercise run by the U.S. Department of Homeland Security in conjunction the U.S. Cybersecurity and Infrastructure Security Agency. Our CISO works closely with our Chief Risk Officer to provide risk reporting and ensure security and compliance.

Chief Information Security Officer: Our CISO has led the Company's security team for more than seven years, overseeing the implementation of multiple new technologies and processes to help protect the organization. Prior to joining the Company, he served as a Subject Mater Expert for Threat Prevention at a cyber security firm, consulted for local government, held other security and technology roles in higher education, and served in the U.S. Navy. He is also a co-author/contributor for the joint book project, Understanding New Security Threats published by Routledge in 2019, and has published articles and made conference keynote and podcast appearances over the years on cybersecurity topics.

For more information regarding the risks we face from cybersecurity threats, please see "Item 1A, *Risk Factors*."

Item 2. *Properties*

GCE owns a four story 325,000 square foot administrative building, which includes office space for approximately 2,700 employees, and a parking garage in close proximity to GCU's ground campus. We constructed this space in 2016 and every aspect of the design was intended to maximize energy efficiency and minimize environmental impact. Lighting load and related electricity usage is a major environmental drain for most office buildings, and this is especially true in Arizona. GCE's office building is orientated with north/south exposure in order to minimize direct sun, and exterior courtyards were arranged to ensure summer shade thus creating outdoor areas that can be used throughout the year. The design also utilized significant window glazing to allow for daylighting thus reducing the need for supplemental electrical lighting. As a result, the building is designed to use just .41 watts per square foot of electrical energy for lighting, which is half of what a typical environmentally efficient building uses. Water usage is another environmental factor for office space that is magnified by the Arizona weather. GCE's office building utilizes a rooftop rainwater collection system for irrigating the landscaping below, which reduces water consumption. Additional environment-friendly design features include low VOC paints, use of recycled building materials, interior and exterior LED light bulbs, and implementation of an energy-efficient VRF mechanical system. Overall, GCE's office building is 60% more energy efficient than a standard office building.

In addition to its owned facilities, GCE leases 39 off-campus classroom and laboratory sites for use in serving its university partners, four office locations in California, and office space in Indianapolis, Indiana. GCE has commitments to add more off-campus classroom and laboratory sites as of December 31, 2024 that have not yet commenced and plans to add additional off-campus classroom and laboratory sites in Arizona and in other states in the

U.S. to accommodate our growth plans in 2025 and beyond. GCE works to maximize energy efficiency and minimize environmental impact in operating its leased facilities just as it does with its owned properties.

Item 3. ***Legal Proceedings***

For information regarding our other material pending legal proceedings, see the sections entitled *Pending Litigation Matters* within *Note 7 Commitments and Contingencies* of our notes to consolidated financial statements included in Part IV, Item 15 of this report, which section is incorporated by reference into this Part I, Item 3.

Item 4. ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Market Information

Our common stock trades on the Nasdaq Global Market under the symbol "LOPE." The holders of our common stock are entitled to one vote per share on any matter to be voted upon by stockholders. All shares of common stock rank equally as to voting and all other matters. The shares of common stock have no preemptive or conversion rights, no redemption or sinking fund provisions, are not liable for further call or assessment, and are not entitled to cumulative voting rights.

Holders

As of December 31, 2024, there were approximately 176 registered holders of record of common stock. A substantially greater number of holders of common stock are "street name" or beneficial holders, whose shares are held of record by banks, brokers and other financial institutions.

Dividends

We currently do not anticipate paying cash dividends on our common stock in the foreseeable future.

Recent Sales of Unregistered Securities

None.

Securities Authorized for Issuance under Equity Compensation Plans

The information required by Item 201(d) of Regulation S-K is provided under Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters, "Equity Compensation Plan Information," which is incorporated herein by reference.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On January 29, 2025, our Board of Directors approved a $200.0 million increase under the Company's existing stock repurchase program, reflecting an aggregate authorization for share repurchases since the initiation of the program of $2,245.0 million. The current expiration date on the repurchase authorization by the Board of Directors is March 1, 2026. Repurchases occur at the Company's discretion and the Company may modify, suspend or discontinue the repurchase authorization at any time. Repurchases may be made in the open market or in privately negotiated transactions, pursuant to the applicable SEC rules. The amount and timing of future share repurchases, if any, will be made as market and business conditions warrant.

Since the initial approval of our share repurchase plan, we have repurchased 23,883,357 shares of common stock at an aggregate cost of $1,945.4 billion, which purchases are recorded at cost in the accompanying December 31, 2024 consolidated balance sheet and statement of stockholders' equity. At December 31, 2024, there remained $99.6 million available under our current share repurchase authorization (which authorization was increased to $299.6 million in January 2025). During the fourth quarter and the year ended December 31, 2024, GCE repurchased 416,497

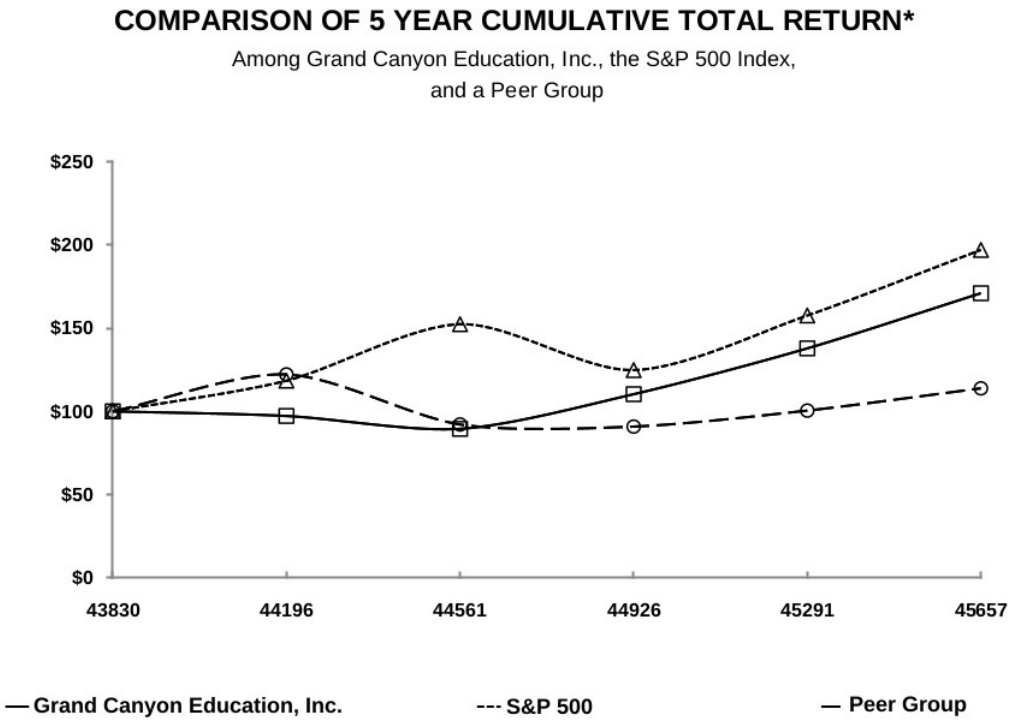
and 1,141,678 shares of common stock, respectively, at an aggregate cost of $64.8 million and $165.4 million, respectively.

The following table sets forth our share repurchases of common stock and our share repurchases in lieu of taxes, which are not included in the repurchase plan totals as they were effected in conjunction with the vesting of restricted share awards, during each period in the fourth quarter of fiscal 2024:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Program
Share Repurchases				
October 1, 2024 – October 31, 2024	117,477	$ 134.95	117,477	$ 148,600,000
November 1, 2024 – November 30, 2024	139,251	$ 161.54	139,251	$ 126,100,000
December 1, 2024 – December 31, 2024	159,769	$ 165.85	159,769	$ 99,600,000
Total	416,497	$ 155.69	416,497	$ 99,600,000
Tax Withholdings				
October 1, 2024 – October 31, 2024	—	$ —	—	$ —
November 1, 2024 – November 30, 2024	—	$ —	—	$ —
December 1, 2024 – December 31, 2024	—	$ —	—	$ —
Total	—	$ —	—	$ —

GCE Stock Performance

The following graph compares the cumulative total return of our common stock with the cumulative total returns of the S&P 500 Index and our education services peer group of seven companies that includes: Wiley Education Services, Pearson plc, CHEGG, Inc., Laureate Education, Inc., Strategic Education, Inc., Adtalum Global Education, Inc. and Coursera. This chart assumes that an investment of $100 was made in our common stock, in the index, and in the peer group on December 31, 2019 and that all dividends paid (if any) were reinvested, and tracks the relative performance of such investments through December 31, 2024.



	12/19	12/20	12/21	12/22	12/23	12/24
Grand Canyon Education, Inc.	**100.00**	**97.20**	**89.48**	**110.30**	**137.84**	**171.00**
S&P 500	**100.00**	**118.40**	**152.39**	**124.79**	**157.59**	**197.02**
2024 Peer Group	**100.00**	**122.18**	**92.11**	**90.83**	**100.46**	**113.82**

The information contained in the performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC nor shall such information be deemed incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Item 6. [Reserved]

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion and analysis of our financial condition and results of operations for the years ended December 31, 2024 and 2023 should be read in conjunction with our consolidated financial statements and related notes that appear in Item 8, *Consolidated Financial Statements and Supplementary Data*. In addition to historical information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in *Special Note Regarding Forward-Looking Statements* and in Item 1A, *Risk Factors*.

Executive Overview

GCE is a publicly traded education services company dedicated to serving colleges and universities. GCE has developed significant technological solutions, infrastructure and operational processes to provide services to these institutions on a large scale. GCE's most significant university partner is GCU, a comprehensive regionally accredited university that offers graduate and undergraduate degree programs, emphases and certificates across ten colleges both online, on ground at its campus in Phoenix, Arizona and at eight off-campus classroom and laboratory sites.

We also provide education services to numerous university partners across the United States. In the healthcare field, we work in partnership with universities and healthcare networks across the country, offering healthcare-related academic programs at off-campus classroom and laboratory sites located near healthcare providers and developing high-quality, career-ready graduates, who enter the workforce ready to meet the demands of the healthcare industry. In addition, we have provided certain services to a university partner to assist them in expanding their online graduate programs. As of December 31, 2024, GCE provides education services to 22 university partners across the United States.

We seek to add additional university partners and to introduce additional programs with both our existing partners and with new partners. We may engage with both new and existing university partners to offer healthcare programs, online only or hybrid programs, or, as is the case for our most significant partner, GCU, both healthcare and other programs. In addition, we have centralized a number of services that historically were provided separately to university partners of Orbis Education; therefore, we refer to all university partners as "GCE partners" or "our partners". We do disclose significant information for GCU, such as enrollments, due to its size in comparison to our other university partners.

Critical Accounting Policies and Estimates

The discussion of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. During the preparation of these consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions, including those discussed below. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The results of our analysis form the basis for making assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, and the impact of such differences may be material to our consolidated financial statements.

We believe that the following critical accounting policies involve our more significant judgments and estimates used in the preparation of our consolidated financial statements:

Revenue recognition. GCE generates all of its revenue through services agreements with its university partners ("Services Agreements"), pursuant to which GCE provides integrated technology and academic services, marketing and communication services, and as applicable, certain back office services to its university partners in return for a percentage of tuition and fee revenue.

GCE's Services Agreements have a single performance obligation, as the promises to provide the identified services are not distinct within the context of these agreements. The single performance obligation is delivered as our partners receive and consume benefits, which occurs ratably over a series of distinct service periods (daily or semester). Service revenue is recognized over time using the output method of measuring progress towards complete satisfaction of the single performance obligation. The output method provides a faithful depiction of the performance toward complete

satisfaction of the performance obligation and can be tied to the time elapsed which is consumed evenly over the service period and is a direct measurement of the value provided to our partners. The service fees received from our partners over the term of the agreement are variable in nature in that they are dependent upon the number of students attending the university partner's program and revenues generated from those students during the service period. Due to the variable nature of the consideration over the life of the service arrangement, GCE considered forming an expectation of the variable consideration to be received over the service life of this one performance obligation. However, since the performance obligation represents a series of distinct services, GCE recognizes the variable consideration that becomes known and billable because these fees relate to the distinct service period in which the fees are earned. GCE meets the criteria in ASC 606 *Revenue from Contracts with Customers* and exercises the practical expedient to not disclose the aggregate amount of the transaction price allocated to the single performance obligation that is unsatisfied as of the end of the reporting period. GCE does not disclose the value of unsatisfied performance obligations because the directly allocable variable consideration is allocated entirely to a wholly unsatisfied promise to transfer a service that forms part of a single performance obligation. The service fees are calculated and settled per the terms of the Services Agreements and result in a settlement duration of less than one year for all partners. There are no refunds or return rights under the Services Agreements.

Income taxes. We recognize the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities for future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the temporary differences are expected to be realized. Our deferred tax assets are subject to periodic recoverability assessments. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount that more likely than not will be realized. Realization of the deferred tax assets is principally dependent upon achievement of projected future taxable income offset by deferred tax liabilities. We evaluate the realizability of the deferred tax assets annually. Since becoming a taxable corporation in August 2005, we have not recorded any valuation allowances to date on our deferred income tax assets. We evaluate and account for uncertain tax positions using a two-step approach. Recognition occurs when we conclude that a tax position based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement determines the amount of benefit that is greater than 50% likely to be realized upon the ultimate settlement with a taxing authority that has full knowledge of the facts. Derecognition of a tax position that was previously recognized occurs when we determine that a tax position no longer meets the more-likely-than-not threshold of being sustained upon examination. As of December 31, 2024 and 2023, GCE has reserved approximately $14,626 and $13,631, respectively, for uncertain tax positions, including interest and penalties.

Results of Operations

For a discussion of the results of operations for fiscal year 2023 vs 2022, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed with the SEC for the fiscal year ended December 31, 2023 incorporated herein by reference.

The following table sets forth certain income statement data as a percentage of revenue for each of the periods indicated. Amortization of intangible assets have been excluded from the table below:

	Year Ended December 31,	
	2024	2023
Costs and expenses		
Technology and academic services	16.0 %	16.1 %
Counseling services and support	31.3	31.5
Marketing and communication	20.6	21.1
General and administrative	4.5	4.5

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Service revenue. Our service revenue for the year ended December 31, 2024 was $1,033.0 billion, an increase of $72.1 million, or 7.5%, as compared to service revenue of $960.9 million for the year ended December 31, 2023. The increase year over year in service revenue was primarily due to an increase in GCU enrollments to 123,149 at December 31, 2024, an increase of 5.0% over enrollments at December 31, 2023. Partner enrollments totaled 127,155 at December 31, 2024 as compared to 121,250 at December 31, 2023. University partner enrollments at our off-campus classroom

and laboratory sites were 4,919, an increase of 9.8% over enrollments at December 31, 2023, which includes 913 and 510 GCU students at December 31, 2024 and 2023, respectively, and an increase in revenue per student year over year. Excluding sites closing in 2024 to new enrollments, total enrollments at our off-campus classroom and laboratory sites increased 14.9% between years. The increase in revenue per student between years is primarily due to the service revenue per student for ABSN students at off-campus classroom and laboratory sites generating a significantly higher revenue per student than we earn under our agreement with GCU, as these agreements generally provide us with a higher revenue share percentage, the partners have higher tuition rates than GCU and the majority of our partners' students take more credits on average per semester. The increase in revenue per student in the year ended December 31, 2024 was also due to the additional day for leap year in 2024 which added additional service revenue of $1.5 million as compared to the prior year and we earned revenue in 2024 with a university partner in which we helped the partner develop an ABSN program under a cost plus arrangement. We will earn limited revenue with this partner going forward. Contract modifications for some of our university partners in which the revenue share percentage was reduced in exchange for us no longer reimbursing the partner for certain faculty costs and the termination of one university partner contract at the end of the Spring 2024 semester had the effect of reducing revenue per student.

Partner enrollments totaled 127,155 at December 31, 2024 as compared to 121,250 at December 31, 2023. Although partner enrollments at our off-campus classroom and laboratory sites returned to year over year growth in 2024, some existing partners continue to experience reduced incoming cohort sizes which has slowed the growth. We believe the growth in the number of ABSN students continues to be negatively impacted by the strong job market as these students have historically been individuals with already completed bachelor's degrees choosing to re-career into one of these health professions. To address this challenge, we have been working with our university partners to adjust their programs to allow students with the required education experience but without a completed bachelor's degree to enter their programs. The majority of those partners that have made the adjustment to admit students without a completed bachelor's degree had new enrollment growth on a year over year basis in the Summer and Fall 2024 semesters.

We opened five sites in the year ended December 31, 2023, six sites in the year ended December 31, 2024 and closed one site increasing the total number of these sites to 45 at December 31, 2024, which has also positively impacted the enrollment growth. Enrollments for GCU ground students were 24,552 at December 31, 2024 down from 25,209 at December 31, 2023 due to a small decline in traditional ground students year over year and the continued decline in professional studies students (working adults attending the university's traditional campus at night), partially offset by an increase in ABSN students between years. GCU online enrollments were 98,597 at December 31, 2024, up from 92,070 at December 31, 2023, an increase of 7.1% between years.

Technology and academic services. Our technology and academic services expenses for the year ended December 31, 2024 were $165.1 million, an increase of $10.2 million, or 6.6%, as compared to technology and academic services expenses of $154.9 million for the year ended December 31, 2023. This increase was primarily due to increases in other technology and academic costs and in occupancy and depreciation of $8.3 million and $4.9 million, respectively, partially offset by a decrease in employee compensation and related expenses, including share-based compensation of $3.0 million. The increases in other technology and academic costs and occupancy and depreciation were primarily due to the costs associated with the increased number of off-campus classroom and laboratory sites to support our 22 university partners and their increased enrollment growth as well as an increase in curriculum cost reimbursement to our university partners. The decrease in employee compensation and related expenses is primarily due to decreased faculty reimbursements due to changes in our agreements with certain university partners whereby we no longer reimburse these partners for their faculty costs, partially offset by increased headcount to support our 22 university partners and their increased enrollment growth, tenure-based salary adjustments, benefit costs and the increased number of off-campus classroom and laboratory sites year over year. Our technology and academic services expenses as a percentage of revenue decreased by 0.1% to 16.0% for the year ended December 31, 2024, from 16.1% for the year ended December 31, 2023. This decrease was primarily due to the decreased faculty reimbursements between years partially offset by the growing curriculum cost reimbursement. We anticipate that technology and academic services expenses as a percentage of revenue will increase in the future as we open more off-site classroom and laboratory sites and the growing curriculum cost reimbursements although these increases might be offset by lower faculty reimbursements if more partners choose to adjust their contracts.

Counseling services and support. Our counseling services and support expenses for the year ended December 31, 2024 were $323.5 million, an increase of $21.2 million, or 7.0%, as compared to counseling services and support

expenses of $302.3 million for the year ended December 31, 2023. This increase was primarily attributable to increases in employee compensation and related expenses including share-based compensation and benefits, in occupancy and depreciation costs and in other counseling services and support expenses of $18.0 million, $2.9 million and $0.3 million, respectively. The increases in employee compensation including share-based compensation and benefits were primarily due to increased headcount to support our university partners, and their planned increases in enrollment, tenure-based salary adjustments, benefit costs and the increased number of off-campus classroom and laboratory sites open year over year. The increase in occupancy and depreciation is primarily related to higher depreciation expense associated with our continued enhancements to technology infrastructure and internal-use software development. The increase in other counseling services and support expenses is primarily the result of increased travel costs for our 22 university partners. Our counseling services and support expenses as a percentage of revenue decreased 0.2% to 31.3% for the year ended December 31, 2024, from 31.5% for the year ended December 31, 2023 primarily due to our ability to leverage our counseling services and support expenses across an increasing revenue base. We anticipate that counseling services and support expense will increase in the future as we continue to invest to meet our partners' needs although we might continue to have a decline in these costs as a percentage of revenue.

Marketing and communication. Our marketing and communication expenses for the year ended December 31, 2024 were $212.4 million, an increase of $9.6 million, or 4.7%, as compared to marketing and communication expenses of $202.8 million for the year ended December 31, 2023. This increase was primarily attributable to the increased cost to market our university partners' programs and to the marketing of new university partners and new locations which resulted in increased advertising of $7.7 million, increased employee compensation, including share-based compensation and benefits of $1.1 million, an increase in other marketing and communication expenses of $0.5 million and an increase in occupancy and depreciation costs of $0.3 million. Our marketing and communication expenses as a percentage of revenue decreased by 0.5% to 20.6% for the year ended December 31, 2024, from 21.1% for the year ended December 31, 2023, primarily due to our ability to leverage our marketing and communication expenses across an increasing revenue base. We anticipate that marketing and communication expenses will increase in the future as we continue to invest to meet our partners' needs although we might continue to have a decline in these costs as a percentage of revenue.

General and administrative. Our general and administrative expenses for the year ended December 31, 2024 were $46.3 million, an increase of $3.1 million, or 7.1%, as compared to general and administrative expenses of $43.2 million for the year ended December 31, 2023. This increase was primarily attributable to an increase in professional fees including legal costs of $2.2 million, employee compensation, including share-based compensation and benefits of $1.4 million, which includes $1.1 million in severance costs recorded for an executive that resigned June 30, 2024, an increase in contributions in lieu of state income taxes of $1.0 million and increases in occupancy and depreciation costs of $0.2 million. These increases were partially offset by a decrease in other administrative expenses of $1.7 million primarily due to lower travel costs. Our general and administrative expenses as a percentage of revenue stayed flat at 4.5% for the years ended December 31, 2024 and 2023 due to our ability to leverage our general and administrative expenses across an increasing revenue base partially offset by the severance costs and the increase in professional fees including legal costs. We anticipate that general and administrative expenses will increase in the future and these costs as a percentage of revenue might increase if legal costs continue to rise faster than our revenue growth rate.

Impairment and other. Impairment and other expenses of $1.9 million for the year ended December 31, 2024 primarily includes the write-off of an internal use software project that the Company had been attempting to develop for its other university partners that has been terminated and costs relating to exiting certain off-campus classroom and laboratory sites.

Amortization of intangible assets. Amortization of intangible assets for the years ended December 31, 2024 and 2023 were $8.4 million for both periods. As a result of the Acquisition, certain identifiable intangible assets were created (primarily customer relationships) that will be amortized over their expected lives.

Investment interest and other. Investment interest and other for the year ended December 31, 2024 was $15.9 million, an increase of $5.4 million, as compared to $10.5 million for the year ended December 31, 2023 due to higher investment balances and higher returns on those balances.

Income tax expense. Income tax expense for the year ended December 31, 2024 was $65.1 million, an increase of $10.4 million, or 19.0%, as compared to income tax expense of $54.7 million for the year ended December 31, 2023. Our effective tax rate was 22.3% during the year ended December 31, 2024 compared to 21.1% during the year ended

December 31, 2023. The effective tax rate increased year over year due to higher state income taxes. This was partially offset by an increase in excess tax benefits of $1.5 million as compared to $0.9 million in the years ended December 31, 2024 and 2023, respectively, and a higher contribution in lieu of state income taxes of $4.5 million in 2024 compared to $3.5 million in 2023. The inclusion of excess tax benefits and deficiencies as a component of our income tax expense increases the volatility within our provision for income taxes as the amount of excess tax benefits or deficiencies from share-based compensation awards are dependent on our stock price at the date the restricted awards vest. Our restricted stock vests in March each year so any benefit or expense will primarily impact the first quarter each year.

Net income. Our net income for the year ended December 31, 2024 was $226.2 million, an increase of $21.2 million, or 10.4% as compared to $205.0 million for the year ended December 31, 2023, due to the factors discussed above.

Seasonality

Our service revenue and operating results normally fluctuate as a result of seasonal variations in our business, principally due to changes in our university partners' enrollment. Our partners' enrollment varies as a result of new enrollments, graduations, and student attrition. Service revenues in the summer months (May through August) are lower primarily due to the majority of GCU's traditional ground students not attending courses during the summer months, which affects our results for our second and third fiscal quarters. Since a significant amount of our costs are fixed, the lower revenue resulting from the decreased summer enrollment has historically contributed to lower operating margins during those periods. Partially offsetting this summer effect has been the sequential quarterly increase in enrollments that has occurred as a result of the traditional fall school start. This increase in enrollments also has occurred in the first quarter, corresponding to calendar year matriculation. Thus, we experience higher net revenue in the fourth quarter due to its overlap with the semester encompassing the traditional fall school start and in the first quarter due to its overlap with the first semester of the calendar year. A portion of our expenses do not vary proportionately with these fluctuations in net revenue, resulting in higher operating income in the first and fourth quarters relative to other quarters. We expect quarterly fluctuation in operating results to continue as a result of these seasonal patterns.

Liquidity and Capital Resources

	As of December 31,	
(In thousands)	**2024**	**2023**
Cash, cash equivalents and investments	$ 324,623	$ 244,506

Overview

Our liquidity position, as measured by cash and cash equivalents and investments increased by $80.1 million between December 31, 2023 and December 31, 2024, which was largely attributable to cash flows from operations exceeding share repurchases, investment purchases, net of proceeds and capital expenditures during the year ended December 31, 2024. Our unrestricted cash and cash equivalents and investments were $324.6 million and $244.5 million at December 31, 2024 and 2023, respectively.

Based on our current level of operations and anticipated growth, we believe that our cash flow from operations and other sources of liquidity, including cash and cash equivalents and investments, will provide adequate funds for ongoing operations, planned capital expenditures, and working capital requirements for at least the next 24 months.

Cash Flows from Operating Activities

	Year Ended December 31,	
(In thousands)	**2024**	**2023**
Net cash provided by operating activities	$ 289,958	$ 243,662

The increase in cash generated from operating activities between the year ended December 31, 2023 and the year ended December 31, 2024 was primarily due to increased income and changes in working capital balances, primarily accounts payable and accrued liabilities. Accounts payable increased between December 31, 2023 and December 31, 2024 by $9.7 million compared to the decrease between December 31, 2022 and December 31, 2023 of $3.1 million due to the timing of vendor payments. Accrued liabilities increased by $4.3 million between December 31, 2023 and December 31, 2024 whereas it decreased by $2.0 million between December 31, 2022 and December 31, 2023 due to timing differences between the last pay period at the end of each fiscal year. We define working capital as the

assets and liabilities, other than cash, generated through the Company's primary operating activities. Changes in these balances are included in the changes in assets and liabilities presented in the consolidated statement of cash flows.

Cash Flows from Investing Activities

(In thousands)	Year Ended December 31, 2024	2023
Net cash provided by (used in) investing activities	$ 61,365	$ (80,472)

Investing activities provided $61.4 million of cash in the year ended December 31, 2024 compared to consuming $80.5 million in the year ended December 31, 2023.

Cash provided by or used in investing activities includes net investment activity. In the year ended December 31, 2024, proceeds from the sale of investments, net of purchases of available-for-sale securities were $99.0 million as the Company sold all its investments in the third quarter of 2024 and the proceeds were invested in cash and cash equivalents. In the year ended December 31, 2023, the purchase of available-for-sale securities, net of proceeds from the sale of investments were $35.0 million.

In the year ended December 31, 2024 and 2023 cash used in investing activities also included capital expenditures totaling $37.2 million and $44.5 million, respectively. Capital expenditures for both periods primarily consisted of leasehold improvements and equipment for new off-campus classroom and laboratory sites, as well as purchases of computer equipment, internal use software projects and furniture and equipment to support our increasing employee headcount. The Company incurs upfront expenses and capital expenditures prior to an off-campus classroom and laboratory site being opened. The Company intends to continue to spend approximately $30.0 million to $40.0 million per year for capital expenditures.

Cash Flows from Financing Activities

(In thousands)	Year Ended December 31, 2024	2023
Net cash used in financing activities	$ (173,175)	$ (137,124)

Financing activities consumed $173.2 million of cash in the year ended December 31, 2024 compared to $137.1 million in the year ended December 31, 2023.

During the year ended December 31, 2024 and 2023, $165.4 million and $130.8 million, respectively was used to purchase treasury stock in accordance with GCE's share repurchase program. In 2024 and 2023, $7.8 million and $6.3 million, respectively, of cash was utilized to purchase common shares withheld in lieu of income taxes resulting from the vesting of restricted share awards. The Company intends to continue using a significant portion of its cash flows from operations to repurchase its shares.

Share Repurchase Program

On January 29, 2025, our Board of Directors increased the authorization under its existing stock repurchase program by $200.0 million, reflecting an aggregate authorization for share repurchases since the initiation of the program of $2,245.0 million. The current expiration date on the repurchase authorization by our Board of Directors is March 1, 2026. Repurchases occur at the Company's discretion and the Company may modify, suspend or discontinue the repurchase authorization at any time.

Under our share repurchase authorization, we may purchase shares in the open market or in privately negotiated transactions, pursuant to the applicable SEC rules. The amount and timing of future share repurchases, if any, will be made as market and business conditions warrant.

Since 2011, we have repurchased 23.9 million shares of common stock at an aggregate cost of $1,945.4 million, which includes 1,141,678 shares of common stock at an aggregate cost of $165.4 million during the year ended December 31, 2024.

Contractual Obligations

Our contractual obligations primarily consist of capital expenditures primarily for new off-campus classroom and laboratory sites opening and continued spend on computer equipment, software licenses, internal software development and furniture and equipment to support our increasing employee headcount. See *Note 6 - Leases*, in Item 8,

Consolidated Financial Statements and Supplementary Data. There are no other material contractual obligations or commitments for the Company.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have had or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources as of December 31, 2024.

Adjusted EBITDA (Non-GAAP Financial Measure)

In addition to our GAAP results, we use Adjusted EBITDA as a supplemental measure of our operating performance and as part of our compensation determinations. Adjusted EBITDA is not required by or presented in accordance with GAAP and should not be considered as an alternative to net income, operating income, or any other performance measure derived in accordance with GAAP, or as an alternative to cash flow from operating activities or as a measure of our liquidity.

Adjusted EBITDA is defined as net income plus interest expense, less interest income and other gain (loss) recognized on investments, plus income tax expense, plus depreciation and amortization (EBITDA), as adjusted for (i) contributions to private Arizona school tuition organizations in lieu of the payment of state income taxes; (ii) share-based compensation, and (iii) unusual charges or gains, such as litigation and regulatory reserves, impairment charges and asset write-offs, and exit or lease termination costs. We present Adjusted EBITDA, a non-GAAP financial measure, because we consider it to be an important supplemental measure of our operating performance. We also make certain compensation decisions based, in part, on our operating performance, as measured by Adjusted EBITDA. All of the adjustments made in our calculation of Adjusted EBITDA are adjustments to items that management does not consider to be reflective of our core operating performance. Management considers our core operating performance to be that which can be affected by our managers in any particular period through their management of the resources that affect our underlying revenue and profit generating operations during that period and does not consider the items for which we make adjustments (as listed above) to be reflective of our core performance.

We believe Adjusted EBITDA allows us to compare our current operating results with corresponding historical periods and with the operational performance of other companies in our industry because it does not give effect to potential differences caused by variations in capital structures (affecting relative interest expense, including the impact of write-offs of deferred financing costs when companies refinance their indebtedness), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the book amortization of intangibles (affecting relative amortization expense), and other items that we do not consider reflective of underlying operating performance. We also present Adjusted EBITDA because we believe it is frequently used by securities analysts, investors, and other interested parties as a measure of performance.

In evaluating Adjusted EBITDA, investors should be aware that in the future we may incur expenses similar to the adjustments described above. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by expenses that are unusual, non-routine, or non-recurring. Adjusted EBITDA has limitations as an analytical tool in that, among other things, it does not reflect:

- cash expenditures for capital expenditures or contractual commitments;
- changes in, or cash requirements for, our working capital requirements;
- interest expense, or the cash required to replace assets that are being depreciated or amortized; and
- the impact on our reported results of earnings or charges resulting from the items for which we make adjustments to our EBITDA, as described above and set forth in the table below.

In addition, other companies, including other companies in our industry, may calculate these measures differently than we do, limiting the usefulness of Adjusted EBITDA as a comparative measure. Because of these limitations, Adjusted EBITDA should not be considered as a substitute for net income, operating income, or any other performance measure derived in accordance with GAAP, or as an alternative to cash flow from operating activities or as a measure of our liquidity. We compensate for these limitations by relying primarily on our GAAP results and use Adjusted EBITDA only as a supplemental performance measure. For more information, see our consolidated financial statements and the notes to those consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

The following table reconciles net income to Adjusted EBITDA for the periods indicated:

	Year Ended December 31,	
	2024	2023
Net income	$ 226,234	$ 204,985
Plus: interest expense	4	33
Less: investment interest and other	(15,920)	(10,452)
Plus: income tax expense	65,081	54,690
Plus: amortization of intangible assets	8,419	8,419
Plus: depreciation and amortization	28,135	23,554
EBITDA	311,953	281,229
Plus: contributions in lieu of state income taxes[(a)]	4,500	3,500
Plus: share-based compensation[(b)]	14,225	13,204
Plus: litigation and regulatory costs[(c)]	6,203	3,628
Plus: impairment and other[(d)]	1,897	—
Plus: loss on fixed asset disposal[(e)]	102	741
Plus: severance costs[(f)]	1,133	—
Adjusted EBITDA	$ 340,013	$ 302,302

(a) Represents contributions to various private Arizona school tuition organizations to assist with funding for education. In connection with such contributions made, we received a dollar-for-dollar state income tax credit, which resulted in a reduction in our effective income tax rate to 22.3% and 21.1% for the years ended December 31, 2024 and 2023, respectively. Had these contributions not been made, our effective tax rate would have been 23.5% and 22.1% for 2024 and 2023, respectively. Such contributions are viewed by our management to be made in lieu of payments of state income taxes and are therefore excluded from evaluation of our core operating performance.
(b) Reflects share-based compensation expense.
(c) Reflects primarily regulatory litigation.
(d) Reflects primarily the write-off of an internal use software project and costs related to exiting from off-campus classroom and laboratory sites.
(e) Represent loss on fixed asset disposals.
(f) Represents severance costs related to an executive that resigned effective June 30, 2024.

Recent Accounting Pronouncements

See *Note 2 - Summary of Significant Accounting Policies*, in Item 8, *Consolidated Financial Statements and Supplementary Data.*

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

Market risk.

As of December 31, 2024, we have no derivative financial instruments or derivative commodity instruments. Although we do not currently have any investments, we have historically, and may in the future invest cash in excess of current operating requirements in short term certificates of deposit and money market instruments, municipal bond portfolios, or municipal mutual funds at multiple financial institutions.

Interest rate risk.

We manage interest rate risk by investing excess funds in cash equivalents, BBB or higher rated corporate bonds, commercial paper, agency bonds, municipal securities, asset backed securities, municipal bonds, and collateralized mortgage obligations bearing variable interest rates, which are tied to various market indices or individual bond coupon rates. Our future investment income may fall short of expectations due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities before their maturity date that have declined in market value due to changes in interest rates. At December 31, 2024, we do not currently have any investments, and therefore a 10% increase or decrease in interest rates would not have a material impact on our future earnings, fair values, or cash flows.

Item 8. *Consolidated Financial Statements and Supplementary Data*

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Grand Canyon Education, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Grand Canyon Education, Inc. and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 19, 2025 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of the sufficiency of audit evidence over service revenue

As discussed in Note 2 to the consolidated financial statements, service revenue is recognized from the delivery of support services to institutions in the post-secondary education sector of the United States (University Partners). The transaction price for support services is based on the Company receiving a contracted percentage of the University Partner's tuition and fee revenue. The tuition and fee information received varies depending

on the respective University Partner's reporting processes and the services provided. The Company recorded $1,033 million of service revenue for the year ended December 31, 2024.

We identified the evaluation of the sufficiency of audit evidence over service revenue as a critical audit matter. This required especially subjective auditor judgment because service revenue recorded by the Company is dependent on the tuition and fee information of the University Partners. This included determining the nature and extent of procedures to be performed and evaluating the evidence obtained over the tuition and fee information.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over tuition and fee information of the University Partners. We evaluated the design and tested the operating effectiveness of certain internal controls related to service revenue. This included controls related to the accurate recording of amounts dependent on University Partners' tuition and fee revenue information. For a sample of transactions, we compared the amounts recognized as service revenue for consistency with underlying documentation, including contracts with University Partners and student enrollment documentation.

We evaluated the sufficiency of audit evidence obtained by assessing the results of procedures performed, including the nature of such evidence.

/s/ KPMG LLP

We have served as the Company's auditor since 2012.

Phoenix, Arizona
February 19, 2025

Grand Canyon Education, Inc.
Consolidated Balance Sheets

(In thousands, except par value)	As of December 31, 2024	2023
ASSETS:		
Current assets		
Cash and cash equivalents	$ 324,623	$ 146,475
Investments	—	98,031
Accounts receivable, net	82,948	78,811
Income tax receivable	490	1,316
Other current assets	11,915	12,889
Total current assets	419,976	337,522
Property and equipment, net	176,823	169,699
Right-of-use assets	99,541	92,454
Amortizable intangible assets, net	159,962	168,381
Goodwill	160,766	160,766
Other assets	1,357	1,641
Total assets	$ 1,018,425	$ 930,463
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities		
Accounts payable	$ 26,721	$ 17,676
Accrued compensation and benefits	33,183	31,358
Accrued liabilities	29,620	26,725
Income taxes payable	8,559	10,250
Deferred revenue	—	—
Current portion of lease liability	12,883	11,024
Total current liabilities	110,966	97,033
Deferred income taxes, noncurrent	26,527	26,749
Other long-term liability	1,444	410
Lease liability, less current portion	95,635	88,257
Total liabilities	234,572	212,449
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $0.01 par value, 10,000 shares authorized; 0 shares issued and outstanding at December 31, 2024 and December 31, 2023	—	—
Common stock, $0.01 par value, 100,000 shares authorized; 54,090 and 53,970 shares issued and 28,858 and 29,953 shares outstanding at December 31, 2024 and December 31, 2023, respectively	541	540
Treasury stock, at cost, 25,232 and 24,017 shares of common stock at December 31, 2024 and December 31, 2023, respectively	(2,024,370)	(1,849,693)
Additional paid-in capital	336,736	322,512
Accumulated other comprehensive loss	—	(57)
Retained earnings	2,470,946	2,244,712
Total stockholders' equity	783,853	718,014
Total liabilities and stockholders' equity	$ 1,018,425	$ 930,463

The accompanying notes are an integral part of these consolidated financial statements.

Grand Canyon Education, Inc.
Consolidated Income Statements

(In thousands, except per share data)	Year Ended December 31, 2024	2023	2022
Service revenue	$ 1,033,002	$ 960,899	$ 911,306
Costs and expenses:			
Technology and academic services	165,085	154,870	150,493
Counseling services and support	323,484	302,319	273,313
Marketing and communication	212,420	202,800	196,090
General and administrative	46,298	43,235	45,491
Impairment and other	1,897	—	—
Amortization of intangible assets	8,419	8,419	8,419
Total costs and expenses	757,603	711,643	673,806
Operating income	275,399	249,256	237,500
Interest expense	(4)	(33)	(2)
Investment interest and other	15,920	10,452	2,621
Income before income taxes	291,315	259,675	240,119
Income tax expense	65,081	54,690	55,444
Net income	$ 226,234	$ 204,985	$ 184,675
Earnings per share:			
Basic income per share	$ 7.77	$ 6.83	$ 5.75
Diluted income per share	$ 7.73	$ 6.80	$ 5.73
Basic weighted average shares outstanding	29,104	29,991	32,131
Diluted weighted average shares outstanding	29,271	30,147	32,237

The accompanying notes are an integral part of these consolidated financial statements.

Grand Canyon Education, Inc.
Consolidated Statements of Comprehensive Income

(In thousands)	Year Ended December 31, 2024	2023	2022
Net income	$ 226,234	$ 204,985	$ 184,675
Other comprehensive income, net of tax:			
Realized gains on available-for-sale securities, net of taxes of $17 for the year ended December 31, 2024	57	—	—
Unrealized gains (losses) on available-for-sale securities, net of taxes of $151 and $168 for the years ended December 31, 2023 and 2022, respectively	—	476	(533)
Comprehensive income	$ 226,291	$ 205,461	$ 184,142

The accompanying notes are an integral part of these consolidated financial statements.

Grand Canyon Education, Inc.
Consolidated Statements of Stockholders' Equity
(In thousands)

	Year Ended December 31, 2024							
	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Par Value	Shares	Cost				
Balance at December 31, 2021	53,637	$ 536	15,915	$(1,107,211)	$ 296,670	$ —	$1,855,052	$1,045,047
Comprehensive income	—	—	—	—	—	(533)	184,675	184,142
Common stock purchased for treasury	—	—	6,795	(599,587)	—	—	—	(599,587)
Restricted shares forfeited	—	—	10	—	—	—	—	—
Share-based compensation	193	2	52	(4,625)	12,640	—	—	8,017
Exercise of stock options	—	—	—	—	—	—	—	—
Balance at December 31, 2022	53,830	$ 538	22,772	$(1,711,423)	$ 309,310	$ (533)	$2,039,727	$ 637,619
Comprehensive income	—	—	—	—	—	476	204,985	205,461
Common stock purchased for treasury	—	—	1,170	(131,939)	—	—	—	(131,939)
Restricted shares forfeited	—	—	19	—	—	—	—	—
Share-based compensation	140	2	56	(6,331)	13,202	—	—	6,873
Balance at December 31, 2023	53,970	$ 540	24,017	$ (1,849,693)	$ 322,512	$ (57)	$ 2,244,712	$ 718,014
Comprehensive income	—	—	—	—	—	57	226,234	226,291
Common stock purchased for treasury	—	—	1,142	(166,907)	—	—	—	(166,907)
Restricted shares forfeited	—	—	16	—	—	—	—	—
Share-based compensation	120	1	57	(7,770)	14,224	—	—	6,455
Balance at December 31, 2024	54,090	$ 541	25,232	$ (2,024,370)	$ 336,736	$ —	$ 2,470,946	$ 783,853

The accompanying notes are an integral part of these consolidated financial statements.

Grand Canyon Education, Inc.
Consolidated Statements of Cash Flows

(In thousands)	Year Ended December 31, 2024	2023	2022
Cash flows provided by operating activities:			
Net income	$ 226,234	$ 204,985	$ 184,675
Adjustments to reconcile net income to net cash provided by operating activities:			
Share-based compensation	14,225	13,204	12,642
Depreciation and amortization	28,135	23,554	22,758
Amortization of intangible assets	8,419	8,419	8,419
Deferred income taxes	(165)	402	401
Other, including impairment and fixed asset disposals	1,227	(442)	853
Changes in assets and liabilities:			
Accounts receivable from university partners	(4,137)	(1,398)	(7,350)
Other assets	1,170	(1,639)	(2,604)
Right-of-use assets and lease liabilities	1,799	2,105	1,193
Accounts payable	9,664	(3,109)	(3,894)
Accrued liabilities	4,252	(1,974)	(1,023)
Income taxes receivable/payable	(865)	(445)	4,759
Deferred revenue	—	—	(10)
Net cash provided by operating activities	289,958	243,662	220,819
Cash flows provided by (used in) investing activities:			
Capital expenditures	(37,248)	(44,537)	(35,232)
Additions of amortizable content	(412)	(897)	(397)
Purchases of investments	(48,594)	(98,853)	(171,549)
Proceeds from sale or maturity of investments	147,619	63,815	110,039
Net cash provided by (used in) investing activities	61,365	(80,472)	(97,139)
Cash flows used in financing activities:			
Repurchase of common shares and shares withheld in lieu of income taxes	(173,175)	(137,124)	(604,212)
Net cash used in financing activities	(173,175)	(137,124)	(604,212)
Net increase in cash and cash equivalents and restricted cash	178,148	26,066	(480,532)
Cash and cash equivalents and restricted cash, beginning of period	146,475	120,409	600,941
Cash and cash equivalents and restricted cash, end of period	$ 324,623	$ 146,475	$ 120,409
Supplemental disclosure of cash flow information			
Cash paid for interest	$ 4	$ 33	$ 2
Cash paid for income taxes	$ 65,261	$ 59,026	$ 48,573
Supplemental disclosure of non-cash investing and financing activities			
Purchases of property and equipment included in accounts payable	$ 1,065	$ 1,909	$ 1,131
ROU Asset and Liability recognition	$ 7,087	$ 19,735	$ 15,067
Excise tax on treasury stock repurchases	$ 1,502	$ 1,146	$ —

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Business

Grand Canyon Education, Inc. (together with its subsidiaries, the "Company" or "GCE") is a publicly traded education services company dedicated to serving colleges and universities. GCE has developed significant technological solutions, infrastructure and operational processes to provide services to these institutions on a large scale. GCE's most significant university partner is Grand Canyon University ("GCU"), an Arizona non-profit corporation that operates a comprehensive regionally accredited university that offers graduate and undergraduate degree programs, emphases and certificates across ten colleges both online, on ground at its campus in Phoenix, Arizona and at eight off-site classroom and laboratory sites.

We also provide education services to numerous university partners across the United States. In the healthcare field, we work in partnership with a growing number of top universities and healthcare networks across the country, offering healthcare-related academic programs at off-campus classroom and laboratory sites located near healthcare providers and developing high-quality, career-ready graduates who enter the workforce ready to meet the demands of the healthcare industry. In addition, we have provided certain services to a university partner to assist them in expanding their online graduate programs. As of December 31, 2024, GCE provides education services to 22 university partners across the Unites States.

GCE was formed in Delaware in November 2003 as a limited liability company, under the name Significant Education, LLC, for the purchase of acquiring the assets of the University from a non-profit foundation on February 2, 2004. On August 24, 2005, the Company converted from a limited liability company to a corporation and changed its name to Significant Education, Inc. On May 9, 2008, the Company changed its name to Grand Canyon Education, Inc. On July 1, 2018, the Company sold the university to GCU (the "Transaction"). The Company's wholly owned subsidiaries were historically used to facilitate expansion of the university campus prior to the Transaction.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes, including the collection of accounts receivables and reserves associated with uncertain tax positions. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company invests a portion of its cash in excess of current operating requirements in short term certificates of deposit and money market instruments. The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

Investments

As of December 31, 2024 the Company had no investments. As of December 31, 2023 the Company considered investments in corporate bonds, agency bonds, treasury bills and commercial paper as available-for-sale securities based on the Company's intent for the respective securities. Available-for-sale securities are carried at fair value, determined using Level 1 and Level 2 of the hierarchy of valuation inputs, with the use of quoted market prices and inputs other than quoted prices that are observable for the assets. Unrealized investment gains and losses, net of tax, are reported as a separate component of other comprehensive income. Unrealized losses considered to be other-than temporary are recognized currently in earnings. Amortization of premiums, accretion of discounts, interest and dividend income and realized gains and losses are included in interest and other income.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method. Normal repairs and maintenance are expensed as incurred. Expenditures that materially extend the useful life of an asset are capitalized. Construction in progress represents items not yet placed in service and are not

depreciated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Furniture and fixtures, computer equipment, and vehicles generally have estimated useful lives of ten, four, and five years, respectively. Leasehold improvements are depreciated over the shorter of their lease term or their useful life. Land improvements and buildings are depreciated over lives ranging from 10 to 40 years.

Arrangements with GCU

On July 1, 2018, the Company consummated an Asset Purchase Agreement (the "Asset Purchase Agreement") with GCU. In conjunction with the Asset Purchase Agreement, the Company and GCU entered into a long-term master services agreement pursuant to which the Company provides identified technology and academic services, counseling services and support, marketing and communication services, and several back-office services to GCU in return for 60% of GCU's tuition and fee revenue. Except for identified liabilities assumed by GCU, GCE retained responsibility for all liabilities of the business arising from pre-closing operations.

Internally Developed Technology

The Company capitalizes certain costs related to internal-use software, primarily consisting of direct labor associated with creating the software. Software development projects generally include three stages: the preliminary project stage (all costs are expensed as incurred), the application development stage (certain costs are capitalized and certain costs are expensed as incurred) and the post-implementation or operation stage (all costs are expensed as incurred). Costs capitalized in the application development stage include costs of design, coding, integration, and testing of the software developed. Capitalization of costs requires judgment in determining when a project has reached the application development stage and the period over which we expect to benefit from the use of that software. Once the software is placed in service, these costs are amortized over the estimated useful life of the software, which is generally three years. These assets are a component of our property and equipment, net in our consolidated balance sheets.

Capitalized Content Development

The Company capitalizes certain costs to fulfill a contract related to the development and digital creation of content on a course-by-course basis for each university partner, many times in conjunction with faculty and subject matter experts. The Company is responsible for the conversion of instructional materials to an on-line format, including outlines, quizzes, lectures, and articles in accordance with the educational guidelines provided to us by our university partners, prior to the respective course commencing. We also capitalize the creation of learning objects which are digital assets such as online demonstrations, simulations, and case studies used to obtain learning objectives.

Costs that are capitalized include payroll and payroll-related costs for employees who are directly associated and spend time producing content and payments to faculty and subject matter experts involved in the process. The Company starts capitalizing content costs when it begins to develop or to convert a particular course, resources have been assigned and a timeline has been set. The content asset is placed in service when all work is complete and the curriculum could be used for instruction. Capitalized content development assets are included in other assets in our consolidated balance sheets. The Company has concluded that the most appropriate method to amortize the deferred content assets is on a straight-line basis over the estimated life of the course, which is generally four years which corresponds with course's review and major revision cycle. As of December 31, 2024 and 2023, $658 and $746, respectively, net of amortization, of deferred content assets are included in other assets in the Company's consolidated balance sheets and amortization is included in technical and academic services where the costs originated.

Long-Lived Assets

The Company evaluates the recoverability of its long-lived assets for impairment, other than goodwill, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Leases

The Company determines if an arrangement is a lease at inception and evaluates the lease agreement to determine whether the lease is a finance or operating lease. Right-of-use ("ROU") assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company uses

its incremental borrowing rate based on the information available at the commencement to determine the present value of lease payments over the lease term. At lease inception, the Company determines the lease term by assuming no exercises of renewal options, due to the Company's constantly changing geographical needs for its university partners. Leases with an initial term of 12 months or less are not recorded in the consolidated balance sheets and are recognized as lease expense on a straight-line basis over the lease term. The Company has lease agreements with lease and non-lease components, and the non-lease components are accounted for separately and not included in our ROU assets and lease liabilities. Leases primarily consist of off-campus classroom and laboratory site locations and office space.

Goodwill and Amortizable Intangible Assets

Goodwill represents the excess of the purchase price of an acquired business over the amount assigned to the tangible and intangible assets acquired and liabilities assumed. Goodwill is assessed at least annually for impairment during the fourth quarter, or more frequently if circumstances indicate potential impairment. Goodwill is allocated to our reporting unit at the education services segment, which is the same as the entity as a whole (entity level reporting unit). The Company has concluded there is one operating segment and one reporting unit for goodwill impairment consideration. The Financial Accounting Standards Board ("FASB") has issued guidance that permits an entity to first assess qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. The Company reviews goodwill at least annually or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Following this assessment, the Company determined that it is more likely than not that its fair value exceeds its carrying amount.

Finite-lived intangible assets that are acquired in a business combination are recorded at fair value on their acquisition dates and are amortized using a method that reflects the pattern in which the economic benefits of the intangible assets are consumed or on a straight-line basis over the estimated useful life of the intangible asset if the pattern of economic benefit cannot be reliability determined. Finite-lived intangible assets consist of university partner relationships and trade names. The Company reviews its finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable. There were no indicators that the carrying amount of the finite-lived intangible assets were impaired as of December 31, 2024. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the assets. If such intangible assets are not recoverable, a potential impairment loss is recognized to the extent the carrying amounts of the assets exceeds the fair value of the assets.

Share-Based Compensation

The Company measures and recognizes compensation expense for share-based payment awards made to employees and directors. The fair value of the Company's restricted stock awards is based on the market price of its common stock on the date of grant. Stock-based compensation expense related to restricted stock grants is expensed over the vesting period using the straight-line method for Company employees and the Company's board of directors (the "Board of Directors"). The Company recognizes forfeitures as they occur.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, accounts receivable, accounts payable, accrued compensation and benefits and accrued liabilities approximate their fair value based on the liquidity or the short-term maturities of these instruments.

The fair value of investments was determined using Level 1 and Level 2 of the hierarchy of valuation inputs, with the use of inputs other than quoted prices that are observable for the assets. The unit of account used for valuation is the individual underlying security. The basis of fair value measurements for each level is described below, with Level 1 having the highest priority.

-Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2 – inputs are quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in non-active markets; and model-derived valuations whose inputs are observable or whose significant valuation drivers are observable.

-Level 3 – unobservable inputs that are not corroborated by market data.

Investments are comprised of corporate bonds, commercial paper, municipal securities, asset backed securities, municipal bonds, and collateralized mortgage obligations.

Income Taxes

The Company accounts for income taxes payable or refundable for the current year and deferred tax assets and liabilities for future tax consequences of events that have been recognized in the Company's consolidated financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the temporary differences are expected to be realized.

The Company applies a more-likely-than-not threshold for financial statement recognition and measurement of an uncertain tax position taken or expected to be taken in a tax return. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2024 and 2023, the Company has reserved approximately $14,626 and $13,631, respectively, for uncertain tax positions, including interest and penalties, which is classified within accrued liabilities on the accompanying consolidated balance sheet.

The Company has deferred tax assets, which are subject to periodic recoverability assessments. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount that more likely than not will be realized. Realization of the deferred tax assets is principally dependent upon achievement of projected future taxable income.

Commitments and Contingencies

The Company accrues for a contingent obligation when it is probable that a liability has been incurred and the amount is reasonably estimable. When the Company becomes aware of a claim or potential claim, the likelihood of any loss exposure is assessed. If it is probable that a loss will result and the amount of the loss is estimable, the Company records a liability for the estimated loss. If the loss is not probable or the amount of the potential loss is not estimable, the Company will disclose the claim if the likelihood of a potential loss is reasonably possible and the amount of the potential loss could be material. Estimates that are particularly sensitive to future changes include tax, legal, and other regulatory matters, which are subject to change as events evolve, and as additional information becomes available during the administrative and litigation process. The Company expenses legal fees as incurred.

Revenue Recognition

The Company generates all of its revenue through services agreements with its university partners ("Services Agreements"), pursuant to which the Company provides integrated technology and academic services, marketing and communication services, and back-office services to its university partners in return for a percentage of tuition and fee revenue.

The Company's Services Agreements have initial terms ranging from 7-15 years, subject to renewal options, although certain agreements may give the university partners the right to terminate early if certain conditions are met. The Company's Services Agreements have a single performance obligation, as the promises to provide the identified services are not distinct within the context of these agreements. The single performance obligation is delivered as our partners receive and consume benefits, which occurs ratably over a series of distinct service periods (daily or semester). Service revenue is recognized over time using the output method of measuring progress towards complete satisfaction of the single performance obligation. The output method provides a faithful depiction of the performance toward complete satisfaction of the performance obligation and can be tied to the time elapsed which is consumed evenly over the service period and is a direct measurement of the value provided to our partners. The service fees received from our partners over the term of the agreement are variable in nature in that they are dependent upon the number of students attending the university partner's program and revenues generated from those students during the service period. Due to the variable nature of the consideration over the life of the service arrangement, the Company considered forming an expectation of the variable consideration to be received over the service life of this one performance obligation. However, since the performance obligation represents a series of distinct services, the Company recognizes the variable consideration that becomes known and billable because these fees relate to the distinct service period in which the fees are earned. The Company meets the criteria in the standard and exercises the practical expedient to not disclose the aggregate amount of the transaction price allocated to the single performance obligation that is unsatisfied as of the end of the reporting period. The Company does not disclose the value of unsatisfied performance obligations because the directly allocable variable consideration is allocated entirely to a wholly unsatisfied promise to transfer a service that forms part of a single performance obligation. The service fees are calculated and settled per the terms of the Services

Agreements and result in a settlement duration of less than one year for all partners. There are no refunds or return rights under the Services Agreements.

The Company's receivables represent unconditional rights to consideration from our Services Agreements with our university partners. Accounts receivable, net is stated at net realizable value and contains billed and unbilled revenue. The Company utilizes the allowance method to provide for doubtful accounts based on its evaluation of the collectability of the amounts due. There have been no amounts written off and no reserves established as of December 31, 2024 given historical collection experience and an evaluation of reasonable and supportable forecasts of economic conditions and other pertinent factors affecting the Company's customers such as known credit risk or industry trends. The Company will continue to review and revise its allowance methodology based on its collection experience with its partners.

For our partners with unbilled revenue, revenue recognition occurs in advance of billings. Billings for some university partners do not occur until after the service period has commenced and final enrollment information is available. Our unbilled revenue of $115 and $188 as of December 31, 2024 and 2023, respectively, are included in accounts receivable in our consolidated balance sheets. Deferred revenue represents the excess of amounts received as compared to amounts recognized in revenue on our consolidated statements of income as of the end of the reporting period, and such amounts are reflected as a current liability on our consolidated balance sheets. We generally receive payments for our services billed within 30 days of invoice. These payments are recorded as deferred revenue until the services are delivered and revenue is recognized.

Allowance for Credit Losses

The Company records its accounts receivable at the net amount expected to be collected. Our accounts receivable are derived through education services provided to university partners. The Company maintains an allowance for credit losses resulting from our university partners not making payments. The Company determines the adequacy of the allowance by periodically evaluating each university partner's balance, considering their financial condition and credit history, and considering current and forecasted economic conditions. Bad debt expense is recorded as a technology and academic services expense in the consolidated income statement. The Company will continue to actively monitor other factors on expected credit losses.

Technology and Academic Services

Technology and academic services consist primarily of costs related to ongoing maintenance of educational infrastructure, including online course delivery and management, student records, assessment, customer relations management and other internal administrative systems. This also includes costs to provide support for content development, faculty training, development and other faculty support, technology support, rent and occupancy costs for university partners' off-campus locations, and assistance with state compliance. This expense category includes salaries, benefits and share-based compensation, information technology costs, amortization of content development costs and other costs associated with these support services. This category also includes an allocation of depreciation, amortization, and occupancy costs attributable to the provision of these services, primarily at the Company's Phoenix, Arizona and Indianapolis, Indiana locations.

Counseling Services and Support

Counseling services and support consist primarily of costs including team-based counseling and other support to prospective and current students as well as financial aid processing. This expense category includes salaries, benefits and share-based compensation, and other costs such as dues, fees and subscriptions and travel costs. This category also includes an allocation of depreciation, amortization, rent, and occupancy costs attributable to the provision of these services, primarily at the Company's Phoenix, Arizona and Indianapolis, Indiana locations.

Marketing and Communication

Marketing and communication includes lead acquisition, digital communication strategies, brand identity advertising, media planning and strategy, video, data science and analysis, marketing to potential students and other promotional and communication services. This expense category includes salaries, benefits and share-based compensation for marketing and communication personnel, brand advertising, marketing leads and other promotional and communication expenses. This category also includes an allocation of depreciation, amortization, lease expense, and

occupancy costs attributable to the provision of these services, primarily at the Company's Phoenix, Arizona and Indianapolis, Indiana locations. Advertising costs are expensed as incurred.

General and Administrative

General and administrative expenses include salaries, benefits and share-based compensation of employees engaged in corporate management, finance, human resources, compliance, and other corporate functions. This category also includes an allocation of depreciation, amortization, lease expense, and occupancy costs attributable to the provision of these services, primarily at the Company's Phoenix, Arizona and Indianapolis, Indiana locations.

Impairment and other

Impairment and other primarily includes the write-off of an internal use software project that has been terminated that it had been attempting to develop for its other university partners and costs relating to exiting from certain off-campus classroom and laboratory sites.

Insurance/Self-Insurance

The Company uses a combination of insurance and self-insurance for a number of risks, including claims related to employee healthcare, workers' compensation, general liability, and business interruption. Liabilities associated with these risks are estimated based on, among other things, historical claims experience, severity factors, and other actuarial assumptions. The Company's loss exposure related to self-insurance is limited by stop loss coverage on a per occurrence and aggregate basis. The Company regularly analyzes its reserves for incurred but not reported claims, and for reported but not paid claims related to self-funded insurance programs. While the Company believes reserves are adequate, significant judgment is involved in assessing these reserves such as assessing historical paid claims, average lags between the claims' incurred date, reported dates and paid dates, and the frequency and severity of claims. There may be differences between actual settlement amounts and recorded reserves and any resulting adjustments are included in expense once a probable amount is known.

Concentration of Credit Risk

The Company believes the credit risk related to cash equivalents and investments is limited due to its adherence to an investment policy that required investments to have a minimum BBB rating, depending on the type of security, by one major rating agency at the time of purchase. All of the Company's cash equivalents and investments as of December 31, 2024 and 2023 consist of investments rated BBB or higher by at least one rating agency. Additionally, the Company utilizes at least one financial institution to conduct initial and ongoing credit analysis on its investment portfolio to monitor and lower the potential impact of market risk associated with its cash equivalents and investment portfolio. Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash balances, which are primarily invested in money market funds or on deposit at high credit quality financial institutions in the U.S. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At December 31, 2024 and December 31, 2023, the Company had $323,124 and $145,474, respectively, in excess of the FDIC insured limit. The Company is also subject to credit risk for its accounts receivable balance. The Company has not experienced any losses on accounts receivables since July 1, 2018, the date the Company transitioned to an education service company. To manage accounts receivable risk, the Company maintains an allowance for doubtful accounts, if needed. Our dependence on our most significant university partner, with 88.9% and 87.8% of total service revenue for the years ended December 31, 2024 and 2023, respectively, subjects us to the risk that declines in our customer's operations would result in a sustained reduction in service revenue for the Company.

Segment Information

The Company operates as a single education services company using a core infrastructure that serves the curriculum and educational delivery needs of its university partners. The Company's Chief Executive Officer (the "Chief Operating Decision Maker" or "CODM") manages the Company's operations as a whole and no expense or operating income information is generated or evaluated on any component level other than consolidated net income.

The education services segment generates revenue through Service Agreements with its university partners, pursuant to which the Company provides integrated technology and academic services, marketing and communication services, and back-office services to its university partners in return for a percentage of tuition and fee revenue.

The accounting policies of the education services segment are the same as those described in the summary of significant accounting policies. The measure of segment assets is reported on the consolidated balance sheet as total consolidated assets. The CODM uses consolidated net income to monitor budget versus actual results, which is used to evaluate headcount and compensation decisions.

Recent Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure," effective for fiscal years beginning after December 15, 2023, with early adoption permitted. This ASU adds disclosure requirements for segment expense information and clarifies that single reportable segment entities are subject to Topic 280 in its entirety. The Company adopted this standard effective January 1, 2024 and the adoption of this guidance did not have a material impact on the Company's financial condition, results of operations or statements of cash flows.

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This ASU includes amendments requiring enhanced income tax disclosures, primarily related to standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and should be applied either prospectively or retrospectively. The Company does not expect the adoption of this guidance to have a material impact on the Company's financial condition, results of operations or statements of cash flows.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses". ASU No. 2024-03 does not change or remove existing expense disclosure requirements but requires disaggregated disclosures about certain expense categories and captions, including but not limited to, purchases of inventory, employee compensation, depreciation, amortization and selling expenses. ASU No. 2024-03 will become effective for us in fiscal 2027 and in the first quarter of fiscal 2028 for interim reporting. Retrospective application is permitted. The Company does not expect the adoption of this guidance to have a material impact on the Company's financial condition, results of operations or statements of cash flows.

The Company has determined that no other recent accounting pronouncements apply to its operations or could otherwise have a material impact on its consolidated financial statements.

3. Investments

As of December 31, 2024 and 2023, the Company had investments of $0 and $98,031, respectively, classified as available-for sale securities. The Company sold all its investments in the third quarter of 2024 and the proceeds were invested in cash and cash equivalents.

For the year ended December 31, 2024, the net realized gains were $57 and for the years ended December 31, 2023 and 2022, unrealized gains and losses were $476 and $533, respectively, net of taxes. Available-for-sale securities are carried at fair value on the consolidated balance sheets. The Company estimates the lifetime expected credit losses for all available-for-sale debt securities in an unrealized loss position. If our assessment indicates that an expected credit loss exists, we determine the portion of the unrealized loss attributable to credit deterioration and record a reserve for the expected credit loss in the allowance for credit losses in technology and academic services in our consolidated income statements.

4. Property and Equipment

Property and equipment consist of the following:

	As of December 31,	
	2024	2023
Land	$ 5,098	$ 5,098
Land improvements	2,242	2,242
Buildings	51,399	51,399
Buildings and leasehold improvements	37,424	34,210
Computer equipment	141,160	138,950
Furniture, fixtures and equipment	29,715	26,737
Internally developed software	98,605	71,204
Construction in progress	6,393	10,274
	372,036	340,114
Less accumulated depreciation and amortization	(195,213)	(170,415)
Property and equipment, net	$ 176,823	$ 169,699

Depreciation expense associated with property and equipment totaled $27,760, $23,106 and $22,115 for the years ended December 31, 2024, 2023, and 2022, respectively.

5. Intangible Assets

Identified intangible assets of $210,280 consisted primarily of university partner relationships that were valued at $210,000, which arose in connection with the acquisition of Orbis Education in January 2019.

Amortizable intangible assets consist of the following as of:

	December 31, 2024			
	Estimated Average Useful Life (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
University partner relationships	25	$ 210,000	$ (50,038)	$ 159,962
Trade names	1	280	(280)	—
Total amortizable intangible assets, net		$ 210,280	$ (50,318)	$ 159,962

Amortization expense for university partner relationships and trade names for the years ending December 31:

2025	$ 8,419
2026	8,419
2027	8,419
2028	8,419
2029	8,419
Thereafter	117,867
	$ 159,962

6. Leases

The Company has operating leases for off-campus classroom and laboratory site locations, office space, office equipment, and optical fiber communication lines. These leases have terms that range from one month to ten years and four months. At lease inception, we determine the lease term by assuming no exercises of renewal options, due to the Company's constantly changing geographical needs for its university partners. Leases with an initial term of 12 months or less are not recorded in the consolidated balance sheets and we recognize lease expense for these leases on a straight-line basis over the lease term. The Company has operating lease costs of $16,694, $13,496 and $10,666 for the years ended December 31, 2024, 2023 and 2022, respectively.

As of December 31, 2024, the Company had $17,029 of non-cancelable operating lease commitments for four off-campus classroom and laboratory sites that had not yet commenced. The Company's weighted-average remaining lease term relating to its operating leases is 7.62 years, with a weighted-average discount rate of 4.22%. The cash paid

for operating lease liabilities was $14,895, $11,391 and $9,537 for the years ended December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024, the Company had no financing leases.

Future payment obligations with respect to the Company's operating leases, which were existing at December 31, 2024, by year and in the aggregate, are as follows:

Year Ending December 31,		Amount
2025	$	16,963
2026		17,309
2027		16,595
2028		16,414
2029		16,556
Thereafter		44,477
Total lease payments	$	128,314
Less interest		19,796
Present value of lease liabilities	$	108,518

7. Commitments and Contingencies

Legal Matters

From time to time, the Company is party to various lawsuits, claims, and other legal proceedings that arise in the ordinary course of business, some of which are covered by insurance. When the Company is aware of a claim or potential claim, it assesses the likelihood of any loss or exposure. If it is probable that a loss will result and the amount of the loss can be reasonably estimated, the Company records a liability for the loss. If the loss is not probable or the amount of the loss cannot be reasonably estimated, the Company discloses the nature of the specific claim if the likelihood of a potential loss is reasonably possible and the amount involved is material. With respect to the majority of pending litigation matters, the Company's ultimate legal and financial responsibility, if any, cannot be estimated with certainty and, in most cases, any potential losses related to those matters are not considered probable.

Upon resolution of any pending legal matters, the Company may incur charges in excess of presently established reserves. Management does not believe that any such charges would, individually or in the aggregate, have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Pending Litigation Matters

False Claims Act Matter. In May 2020, the Company was served with a *qui tam* lawsuit that had been filed against us in 2019 in the U.S. District Court for the District of Massachusetts by a former employee on behalf of the federal government. All proceedings in the lawsuit had been under seal until February 2020, when the U.S. government decided to not intervene in the lawsuit, and the complaint was then unsealed by the court. The suit, *United States ex rel Mackillop v. Grand Canyon Education, Inc.*, alleges that we violated the False Claims Act by improperly compensating certain of our enrollment counselors in violation of the Title IV law governing compensation of such employees (the "incentive compensation rule"), and as a result, improperly received Title IV program funds. In response to a second amended complaint filed in September 2020, we filed a motion to dismiss and a motion to transfer the matter to the U.S. District Court for the District of Arizona. In December 2020, the court granted our motion to dismiss as to one of three counts and granted the motion to transfer but only upon conclusion of pretrial proceedings. In September 2021, we filed a motion for summary judgment which the Massachusetts court denied in September 2022. Subsequently, the matter was transferred to the Arizona court and trial was scheduled for late April 2024. In the interim, we filed a motion for reconsideration of the summary judgment ruling in September 2023; that motion remains pending. Prior to trial commencing, we and the relator reached an agreement to stay trial while the parties attempt to finalize the terms upon which the litigation could be concluded. Having been unsuccessful in reaching terms with the relevant parties, which would have avoided litigation, the Court has rescheduled the trial for October 2025. For any future settlement to be affected, all parties to the litigation will need to agree on acceptable terms, both monetary and non-monetary. In this regard, because this matter involves claims under the False Claims Act, any such terms would also need to be approved by the applicable U.S. government agencies.

We believe that the compensation practices at issue in the complaint, which were developed with the guidance of outside regulatory counsel specifically to comply with Title IV and its regulations and relevant case law interpreting the

incentive compensation rule, do not violate applicable law. The Company intends to defend itself vigorously in this legal proceeding. The outcome of this legal proceeding is uncertain at this point. At present, the Company cannot reasonably estimate a range of loss for this action based on the information available to the Company. Accordingly, the Company has not accrued any liability associated with this action.

Matters Related to GCU Graduate Program Disclosures and Related Matters. The Company is a party to several matters alleging that, in the performance of its marketing services provided on behalf of GCU, it made false or misleading representations regarding the time to complete and the costs associated with and/or accreditation issues related to certain Grand Canyon University graduate programs, and (in the case of the FTC matter noted below) also made false or misleading representations regarding Grand Canyon University's non-profit status and made telemarketing calls to phone numbers on do not call lists. These matters include:

- Smith and Wang v. Grand Canyon Education, Inc. This putative class action was filed in June 2024 in the United States District Court for the District of Arizona and asserts claims under the federal RICO statute as well as various claims for violations of state law consumer protection statutes. On September 20, 2024, the plaintiffs amended their complaint, and on November 4, 2024, the Company moved to dismiss the case. The motion to dismiss is pending with the court. There is currently no trial date scheduled in this matter.
- Federal Trade Commission v. Grand Canyon Education, Inc., et al. This suit was filed in late December 2023 in United States District Court for the District of Arizona and asserts claims under the FTC Act and Telemarketing Sales Rule. In February 2024, GCE filed a partial motion to dismiss, which was denied in August 2024. Discovery in this matter has commenced and is ongoing, with fact and expert discovery scheduled to conclude in May 2025 and October 2025 respectively. There is currently no trial date scheduled in this matter.
- Ogdon v. Grand Canyon Education, Inc., et al. This putative class action was filed in May 2020 in federal district court in California and later transferred to United States District Court for the District of Arizona and asserts claims for violations of California's False Advertising Law, Unfair Competition Law, Consumer Legal Remedies Act; Unjust Enrichment; and purported violations of the federal RICO statute, including a conspiracy claim. The defendants include the Company along with our chief executive officer, chief operating officer and chief financial officer. On May 27, 2022, after significant motions practice, the Company filed an amended motion to dismiss and a motion to strike certain allegations in Plaintiff's amended complaint. On August 8, 2023, the court presiding over the dispute entered two orders: (1) an order granting in part the Company's motion to dismiss as to Ogdon's RICO claim from the case and to dismiss the individual Defendants; and (2) an order granting in part the Company's motion to strike scandalous and impertinent allegations in Ogdon's complaint about our business. Shortly thereafter on August 22, 2023, Plaintiff moved the court to reconsider its dismissal of the RICO claim. Though discovery had commenced, and the Company substantially completed its discovery obligations on the state-law claims, discovery was stayed on March 18, 2024, pending mediation and the disposition of Ogdon's motion for reconsideration. On March 29, 2024, the court issued an order reinstating Plaintiff's RICO claim. On September 26, 2024, the court lifted the stay on discovery, and discovery resumed, with class certification briefing to conclude in September 2025. There is currently no trial date scheduled in this matter.
- Valerio, et al. v. Grand Canyon Education, Inc., et al. This suit was filed on December 24, 2024, in Maricopa County, Arizona Superior Court on behalf of nearly 300 plaintiffs. The plaintiffs assert various claims, including claims for violations of state law consumer protection statutes. The Company's response to the complaint is due on April 10, 2025. There is currently no trial date scheduled in this matter.

We believe that the Company's representations made in marketing materials or by our employees regarding Grand Canyon University's non-profit status and doctoral program requirements were at all times accurate and not false or misleading, and thus did not violate applicable law. In addition, to the extent the representations we made or actions we took that are at issue in these proceedings were done or taken after July 1, 2018 at the direction of GCU and/or based on written instructions, or advertising or web materials, provided to us for use by GCU, GCU has agreed to indemnify us in part under the terms of the Master Services Agreement for our losses and expenses arising from these matters. With

regard to the FTC's claims under the Telemarketing Sales Rule, we only make telemarketing calls to individuals who have demonstrated interest in speaking to us about educational opportunities at Grand Canyon University, which are permitted by the rule. The Company intends to defend itself vigorously in each of these legal proceedings. The outcome of these legal proceedings is uncertain at this point. At present, the Company cannot estimate a range of loss for these actions based on the information available to the Company. Accordingly, the Company has not accrued any liability associated with these actions.

Tax Reserves, Non-Income Tax Related

From time to time the Company has exposure to various non-income tax related matters that arise in the ordinary course of business. At both December 31, 2024 and 2023, the Company has no non-income tax related matters where exposure is considered probable and the potential loss can be reasonably estimated.

8. Earnings Per Share

Basic earnings per common share is calculated by dividing net income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per common share reflects the assumed conversion of all potentially dilutive securities, consisting of stock options and restricted stock awards, for which the estimated fair value exceeds the exercise price, less shares which could have been purchased with the related proceeds, unless anti-dilutive. For employee equity awards, repurchased shares are also included for any unearned compensation adjusted for tax. The table below reflects the calculation of the weighted average number of common shares outstanding, on an as if converted basis, used in computing basic and diluted earnings per common share.

	Year Ended December 31,		
	2024	2023	2022
Denominator:			
Basic weighted average shares outstanding	29,104	29,991	32,131
Effect of dilutive stock options and restricted stock	167	156	106
Diluted weighted average shares outstanding	29,271	30,147	32,237

Diluted weighted average shares outstanding excludes the incremental effect of unvested restricted stock and shares that would be issued upon the assumed exercise of stock options in accordance with the treasury stock method. For each of the years ended December 31, 2024, 2023 and 2022, approximately 20, 52, and 58, respectively, of the Company's restricted stock awards outstanding were excluded from the calculation of diluted earnings per share as their inclusion would have been anti-dilutive. These restricted stock awards could be dilutive in the future.

9. Equity Transactions

Preferred Stock

As of December 31, 2024 and 2023, the Company had 10,000 shares of authorized but unissued and undesignated preferred stock. The Company's charter provides that the Board of Directors has authority to issue preferred stock, with voting powers, designations, preferences, and special rights, qualifications, limitation, or restrictions as permitted by law as determined by the Board of Directors, without stockholder approval. The Board of Directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock.

Treasury Stock

On January 29, 2025 the Board of Directors approved a $200,000 increase under its existing stock repurchase program reflecting an aggregate authorization for share repurchases since the initiation of the program of $2,245,000. The expiration date on the repurchase authorization is March 1, 2026. Repurchases occur at the Company's discretion. Repurchases may be made in the open market or in privately negotiated transactions, pursuant to the applicable Securities and Exchange Commission rules. The amount and timing of future share repurchases, if any, will be made as market and business conditions warrant.

During the year ended December 31, 2024, the Company repurchased 1,142 shares of common stock at an aggregate cost of $165,405. As of December 31, 2024, there remained $99,648 available under its current share

repurchase authorization (which authorization was increased to $299,648 in January 2025). Shares repurchased in lieu of taxes are not included in the repurchase plan totals as they were approved in conjunction with the restricted share awards.

10. Income Taxes

The Company has deferred tax assets and liabilities that reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets are subject to periodic recoverability assessments. Realization of the deferred tax assets, net of deferred tax liabilities is principally dependent upon achievement of projected future taxable income. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more-likely-than-not that the Company will realize the benefits of these deductible differences. The Company has no valuation allowance at December 31, 2024 and 2023.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted though income tax expense.

The components of income tax expense (benefit) are as follows:

	Year Ended December 31,		
	2024	2023	2022
Current:			
Federal	$ 60,294	$ 54,097	$ 50,194
State	5,009	39	5,017
	65,303	54,136	55,211
Deferred:			
Federal	(476)	229	(578)
State	254	325	811
	(222)	554	233
Tax expense recorded as an increase of paid-in capital	—	—	—
	$ 65,081	$ 54,690	$ 55,444

A reconciliation of income tax computed at the U.S. statutory rate to the effective income tax rate is as follows:

	Year Ended December 31,		
	2024	2023	2022
Statutory U.S. federal income tax rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal tax benefit	2.8	2.8	2.8
State tax credits, net of federal effect	(1.2)	(1.0)	(1.6)
Excess tax benefits	(0.5)	(0.3)	(0.1)
Nondeductible expenses	0.4	0.3	0.2
Other	(0.2)	(1.7)	0.8
Effective income tax rate	22.3 %	21.1 %	23.1 %

Significant components of the Company's deferred income tax assets and liabilities, included in Deferred income taxes, non-current on the consolidated balance sheets are as follows:

	As of December 31, 2024	As of December 31, 2023
Deferred tax assets:		
Share-based compensation	$ 2,911	$ 2,850
Employee compensation	1,459	1,262
Intangibles	8,532	11,696
Leases	2,598	1,780
State taxes	4,197	3,641
Other	171	329
Deferred tax assets	19,868	21,558
Deferred tax liability:		
Property and equipment	(9,337)	(11,256)
Goodwill	(37,051)	(37,051)
Other	(7)	—
Deferred tax liability	(46,395)	(48,307)
Net deferred tax liability	$ (26,527)	$ (26,749)

The net deferred tax liability on the accompanying consolidated balance sheet is comprised of the following:

	As of December 31, 2024	As of December 31, 2023
Deferred income taxes, current	$ 5,827	$ 5,118
Deferred income taxes, non-current	(32,354)	(31,867)
Net deferred tax liability	$ (26,527)	$ (26,749)

The Company recognizes the impact of a tax position in its financial statements if that position is more-likely-than-not to be sustained on audit, based on the technical merits of the position. The Company discloses all unrecognized tax benefits, which includes the reserves recorded for uncertain tax positions on filed tax returns and the unrecognized portion of affirmative claims. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. Unrecognized tax benefits as of December 31, 2024 and 2023 were $14,626 and $13,631, respectively.

The reconciliation of the beginning and ending balance of unrecognized tax benefits at December 31, is as follows:

	2024	2023
Unrecognized tax benefits, beginning of year	$ 13,631	$ 15,862
Tax positions taken during the current year		
Increases	3,407	2,891
Decreases	—	—
Tax positions taken during a prior year		
Increases	2,465	392
Decreases	(1,550)	(1,810)
Decreases for settlements during the period	—	(384)
Reductions for lapses of applicable statute of limitations	(3,327)	(3,320)
Unrecognized tax benefits, end of year	$ 14,626	$ 13,631

As of December 31, 2024 and 2023, the unrecognized tax benefit recorded of $14,626 and $13,631, respectively, if reversed, would impact the effective tax rate. At both years ended December 31, 2024 and 2023 the Company had accrued $0, in interest and $0, in penalties. It is reasonably possible that the amount of the unrecognized tax benefit will change during the next 12 months, however management does not expect the potential change to have a material effect on the results of operations or financial position.

The Company's uncertain tax positions were related to tax years that remained subject to examination by tax authorities. As of December 31, 2024, the earliest tax year still subject to examination for federal and state purposes is 2021 and 2020, respectively.

11. Share-Based Compensation Plans

Incentive Plans

The Company makes equity incentive grants pursuant to our 2017 Equity Incentive Plan (the "2017 Plan") under which a maximum of 3,000 shares may be granted. As of December 31, 2024, 962 shares were available for grants under the 2017 Plan.

Restricted Stock

During fiscal years 2024, 2023, and 2022, the Company granted 117, 136, and 189 shares of common stock, respectively, with a service vesting condition to certain of its executives, officers, and employees. The restricted shares have voting rights and vest evenly at 20% over each of the next five years. Upon vesting, shares will be held in lieu of taxes equivalent to the statutory tax withholding required to be paid when the restricted stock vests. During the years ended December 31, 2024, 2023 and 2022, the Company withheld 55, 56, and 52 shares of common stock in lieu of taxes at a cost of $7,446, $6,331, and $4,625, on the restricted stock vesting dates, respectively. In April 2024, a new non-employee director was appointed to the Board of Directors and was granted an initial award of shares pursuant to the Company's compensation program. The initial award of shares that were granted to such newly appointed director have voting rights and vest on the one-year anniversary of the date of grant. During 2024, 2023 and 2022, following the annual stockholders meeting, the Company granted 3, 4 and 4 shares of common stock to the non-employee members of the Board of Directors. The restricted shares granted to these directors have voting rights and vest on the earlier of (a) the one year anniversary of the date of grant or (b) immediately prior to the following year's annual stockholders' meeting.

On June 30, 2024, a named executive officer resigned for "good reason" which, under the terms of his employment agreement, resulted in an acceleration of the vesting of the next tranche of five outstanding restricted stock awards that would have otherwise vested on March 1, 2025. As a result, the incremental share-based compensation expense from the modification on the five restricted stock awards for the accelerated vesting date was $558 and is included in the general and administrative expenses in the Company's consolidated income statement. In July 2024, 5 shares vested and 2 shares were withheld in lieu of taxes at a cost of $324 on the accelerated vesting date.

A summary of the activity related to restricted stock granted under the Company's Incentive Plan is as follows:

	Total Shares	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2021	427	$ 86.24
Granted	193	$ 83.10
Vested	(134)	$ 85.07
Forfeited, canceled or expired	(10)	$ 85.49
Outstanding as of December 31, 2022	476	$ 85.32
Granted	140	$ 112.60
Vested	(147)	$ 86.94
Forfeited, canceled or expired	(19)	$ 87.87
Outstanding as of December 31, 2023	450	$ 93.16
Granted	120	$ 130.80
Vested	(151)	$ 91.84
Forfeited, canceled or expired	(16)	$ 100.12
Outstanding as of December 31, 2024	403	$ 104.54

As of December 31, 2024, there was approximately $30,345 of total unrecognized share-based compensation cost related to unvested restricted stock awards. These costs are expected to be recognized over a weighted average period of 2.03 years.

Share-based Compensation

Share-based Compensation Expense Assumptions – Restricted Stock Awards

The Company measures and recognizes compensation expense for share-based payment awards made to employees and directors. The fair value of the Company's restricted stock awards is based on the market price of its common stock on the date of grant. Stock-based compensation expense related to restricted stock grants is expensed over the vesting period using the straight-line method for Company employees and the Board of Directors. The Company recognizes forfeitures as they occur. The restricted shares have voting rights.

The table below outlines share-based compensation expense for the fiscal years ended December 31, 2024, 2023 and 2022 related to restricted stock and stock options granted:

	2024	2023	2022
Technology and academic services	$ 2,594	$ 2,365	$ 2,424
Counseling services and support	7,200	6,862	6,287
Marketing and communication	226	190	154
General and administrative	4,205	3,787	3,777
Share-based compensation expense included in operating expenses	14,225	13,204	12,642
Tax effect of share-based compensation	(3,556)	(3,301)	(3,161)
Share-based compensation expense, net of tax	$ 10,669	$ 9,903	$ 9,481

401(k) Plan

The Company has established a 401(k) Defined Contribution Benefit Plan (the "Plan"). The Plan provides eligible employees, upon date of hire, with an opportunity to make tax-deferred contributions into a long-term investment and savings program. All employees over the age of 21 are eligible to participate in the Plan. The Plan allows eligible employees to contribute to the Plan subject to restrictions under the Internal Revenue Code of 1986 (the "Code"), and the Plan allows the Company to make discretionary matching contributions. The Company plans to make a matching contribution to the Plan of approximately $3,092 for the year ended December 31, 2024. The Company made discretionary matching contributions to the Plan of $2,951 and $2,744 for the years ended December 31, 2023 and 2022, respectively.

12. Related Party Transactions

Related party transactions include transactions between the Company and certain of its affiliates. The following transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

As of and for the years ended December 31, 2024, 2023 and 2022, related party transactions consisted of the following:

Affiliates

GCE Community Fund ("GCECF") - GCECF was initially formed in 2014. GCECF makes grants for charitable, educational, literary, religious or scientific purposes within the meaning of Section 501(c) (3) of the Code, including for such purposes as the making of distributions to organizations that qualify as exempt organizations under Section 501 (c) (3) of the Code. The Company's Chief Executive Officer serves as the president of GCECF and GCECF's board of directors is comprised entirely of Company executives. The Company is not the primary beneficiary of GCECF, and accordingly, the Company does not consolidate GCECF's activities with its financial results. No donations were made during the year ended December 31, 2024. The Company made voluntary charitable contributions of $1,650 for the year ended December 31, 2023, of which no amounts were owed as of December 31, 2023.

Item 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the specified time periods and accumulated and communicated to our management, including our Chief Executive Officer ("Principal Executive Officer") and Chief Financial Officer ("Principal Financial Officer"), as appropriate, to allow timely decisions regarding required disclosure. We have established a Disclosure Committee, consisting of certain members of management and including our Principal Executive Officer and Principal Financial Officer, to assist in this evaluation. Our Disclosure Committee meets on a quarterly basis and more often if necessary.

Under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, an evaluation was performed on the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act), as of the end of the period covered by this annual report. Based on that evaluation, our management, including the Principal Executive Officer and Principal Financial Officer, concluded that our disclosure controls and procedures were effective as of December 31, 2024.

Attached as exhibits to this Annual Report on Form 10-K are certifications of our Chief Executive Officer and Chief Financial Officer, which are required in accordance with Rule 13a-14 of the Exchange Act. This Disclosure Controls and Procedures section includes information concerning management's evaluation of disclosure controls and procedures referred to in those certifications and, as such, should be read in conjunction with the certifications of our Chief Executive Officer and Chief Financial Officer.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles ("GAAP").

Our internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with GAAP, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitation, our internal control systems and procedures may not prevent or detect misstatements. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in condition, or that the degree of compliance with the policies and procedures may deteriorate.

Management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2024, utilizing the criteria established in the "Internal Control—Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective as of December 31, 2024. Based on its

assessment, management has concluded that, as of December 31, 2024, the Company's internal control over financial reporting is effective.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their audit report which is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended December 31, 2024, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Grand Canyon Education, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Grand Canyon Education, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements), and our report dated February 19, 2025 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Phoenix, Arizona
February 19, 2025

Item 9B. ***Other Information***

Rule 10b5-1 Trading Arrangements

We have a policy governing transactions in our securities by directors, officers, employees and others which permits these individuals to enter into trading plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. Generally, under these trading plans, the individual relinquishes control over the transactions once the trading plan is put into place. Accordingly, sales under these plans may occur at any time, including possibly before, simultaneously with, or immediately after significant events involving our company.

We anticipate that, as permitted by Rule 10b5-1 and our policy governing transactions in our securities, some or all of our directors, officers and employees may establish or terminate trading plans in the future. We intend to disclose the names of executive officers and directors who establish or terminate a trading plan in compliance with Rule 10b5-1 and the requirements of our policy governing transactions in our securities in our future quarterly and annual reports on Form 10-Q and 10-K filed with the Securities and Exchange Commission. We undertake no obligation, however, to update or review the information provided herein, including for revision or termination of an established trading plan, other than in such quarterly and annual reports.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information required by this Item is incorporated by reference from our Proxy Statement to be filed in connection with our 2025 Annual Meeting of Stockholders within 120 days after the end of fiscal year ended December 31, 2024.

Our employees must act ethically at all times and in accordance with the policies in our Code of Business Conduct and Ethics. We require full compliance with this policy from all designated employees including our Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer. We publish the policy, and any amendments or waivers to the policy, in the Corporate Governance section of our website located at www.gce.com/ Investor Relations/Corporate Governance.

The charters of our Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee are also available in the Corporate Governance section of our website located at www.gce.com/Investor Relations/Corporate Governance.

Item 11. ***Executive Compensation***

The information required by this Item is incorporated by reference from our Proxy Statement to be filed in connection with our 2025 Annual Meeting of Stockholders within 120 days after the end of fiscal year ended December 31, 2024.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this Item is incorporated by reference from our Proxy Statement to be filed in connection with our 2025 Annual Meeting of Stockholders within 120 days after the end of fiscal year ended December 31, 2024.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required by this Item is incorporated by reference from our Proxy Statement to be filed in connection with our 2025 Annual Meeting of Stockholders within 120 days after the end of fiscal year ended December 31, 2024.

Item 14. ***Principal Accounting Fees and Services***

The information required by this Item is incorporated by reference from our Proxy Statement to be filed in connection with our 2025 Annual Meeting of Stockholders within 120 days after the end of fiscal year ended December 31, 2024.

PART IV

Item 15. ***Exhibits and Consolidated Financial Statement Schedules***

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Consolidated Financial Statements filed as part of this report

2. Consolidated Financial Statement Schedules:

Schedules are omitted because they are not required, or because the information required is included in the Consolidated Financial Statements and Notes thereto.

3. Exhibits

Number	Description	Method of Filing
2.1	Asset Purchase Agreement, dated July 1, 2018, by and between Grand Canyon Education, Inc. and Grand Canyon University (formerly known as Gazelle University)#	Incorporated by reference to Exhibit 2.1 to GCE's Quarterly Report on Form 10-Q filed with the SEC on November 8, 2018.
2.2	Agreement and Plan of Merger, dated December 17, 2018, by and among Grand Canyon Education, Inc., GCE Cosmos Merger Sub, LLC and Orbis Education Services, LLC#	Incorporated by reference to Exhibit 2.2 to GCE's Annual Report on Form 10-K filed with the SEC on February 20, 2019.
3.1	Amended and Restated Certificate of Incorporation (as amended)	Incorporated by reference to Exhibit 3.1 to GCE's Annual Report on Form 10-K filed with the SEC on February 20, 2019.
3.2	Third Amended and Restated Bylaws	Incorporated by reference to Exhibit 3.1 to GCE's Current Report on Form 8-K filed with the SEC on October 29, 2014.
4.1	Specimen of Stock Certificate	Incorporated by reference to Exhibit 4.1 to Amendment No. 2 to GCE's Registration Statement on Form S-1 filed with the SEC on September 29, 2008.

Number	Description	Method of Filing
4.2	Description of Common Stock	Incorporated by reference to Exhibit 4.2 to GCE's Annual Report on Form 10-K filed with the SEC on February 20, 2020.
10.1	2008 Equity Incentive Plan, as amended†	Incorporated by reference to Exhibit 10.1 to GCE's Quarterly Report on Form 10-Q filed with the SEC on November 14, 2011.
10.2	2017 Equity Incentive Plan, as amended†	Incorporated by reference to Exhibit 10.1 to GCE's Current Report on Form 8-K filed with the SEC on June 14, 2017.
10.3	Form of Restricted Stock Agreement under the 2017 Equity Incentive Plan, as amended†	Incorporated by reference to Exhibit 10.3 to GCE's Annual Report on Form 10-K filed with the SEC on February 21, 2018.
10.4	Third Amended and Restated Executive Employment Agreement, dated May 1, 2023, by and between Grand Canyon Education, Inc. and Brian E. Mueller†	Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 2, 2023.
10.5	Third Amended and Restated Executive Employment Agreement, dated May 1, 2023, by and between Grand Canyon Education, Inc. and W. Stan Meyer†	Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 2, 2023.
10.6	Third Amended and Restated Executive Employment Agreement, dated May 1, 2023, by and between Grand Canyon Education, Inc. and Daniel E. Bachus†	Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 2, 2023.
10.7	Second Amended and Restated Executive Employment Agreement, dated May 1, 2023, by and between Grand Canyon Education, Inc. and Dilek Marsh†	Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 2, 2023.
10.8	Form of Director and Officer Indemnity Agreement	Incorporated by reference to Exhibit 10.21 to Amendment No. 2 to GCE's Registration Statement on Form S-1 filed with the SEC on September 29, 2008.
10.9	Credit Agreement dated July 1, 2018, by and between Grand Canyon Education, Inc. and Grand Canyon University (formerly known as Gazelle University).	Incorporated by reference to Exhibit 10.7 to GCE's Quarterly Report on Form 10-Q filed with the SEC on November 8, 2018.
10.10	Master Services Agreement, dated July 1, 2018, by and between Grand Canyon Education, Inc. and Grand Canyon University (formerly known as Gazelle University).##	Incorporated by reference to Exhibit 10.8 to GCE's Quarterly Report on Form 10-Q/A filed with the SEC on April 23, 2019.

Number	Description	Method of Filing
10.11	Amended and Restated Credit Agreement, dated January 22, 2019, by and among Grand Canyon Education, Inc., Bank of America, N.A., and the other parties named therein.	Incorporated by reference to Exhibit 10.14 to GCE's Annual Report on Form 10-K filed with the SEC on February 20, 2019.
10.12	Amended and Restated Security and Pledge Agreement, dated January 22, 2019, by and among Grand Canyon Education, Inc., Bank of America, N.A., and the other parties named therein.	Incorporated by reference to Exhibit 10.15 to GCE's Annual Report on Form 10-K filed with the SEC on February 20, 2019.
10.13	First Amendment, dated January 31, 2019 to Amended and Restated Credit Agreement, dated January 22, 2019 by and among Grand Canyon Education, Inc., Bank of America, N.A., and the other parties named therein.	Incorporated by reference to Exhibit 10.16 to GCE's Annual Report on Form 10-K filed with the SEC on February 20, 2019.
10.14	First Incremental Facility Amendment, dated February 1, 2019 to Amended and Restated Credit Agreement, dated January 22, 2019 by and among Grand Canyon Education, Inc., Bank of America, N.A., and the other parties named therein.	Incorporated by reference to Exhibit 10.17 to GCE's Quarterly Report on Form 10-Q filed with the SEC on February 20, 2019.
10.15	Second Amendment, dated October 31, 2019 to Amended and Restated Credit Agreement, dated January 22, 2019 by and among Grand Canyon Education, Inc., Bank of America N.A., and the other parties named therein.	Incorporated by reference to Exhibit 10.18 to GCE's Annual Report on Form 10-K filed with the SEC on November 6, 2019.
10.16	Modification of Credit Agreement, Dated October 29, 2021, by and between Grand Canyon Education, Inc. and Grand Canyon University.	Incorporated by reference to Exhibit 10.1 to GCE's Quarterly Report on Form 10-Q filed with the SEC on November 2, 2021.
10.17	Security Agreement dated October 1, 2024 by and between Grand Canyon Education, Inc. and Zions Bancorporation, N.A.	Filed herewith.
10.18	Pledge and Security Agreement dated October 1, 2024 by and between Grand Canyon Education, Inc. and MidFirst Bank.	Filed herewith.
19.1	Insider Trading Policy	Filed herewith.
21.0	Subsidiaries of Grand Canyon Education, Inc.	Filed herewith.
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm	Filed herewith.
24.1	Power of Attorney	Filed herewith (on signature page)
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) and 15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith.

Number	Description	Method of Filing
31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) and 15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith.
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002††	Filed herewith.
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002††	Filed herewith.
97.1	Grand Canyon Education, Inc. Recovery of Erroneously-Awarded Incentive Compensation Policy, as adopted October 25, 2023.	Incorporated by reference to Exhibit 97.1 to GCE's Annual Report on Form 10-K filed with the SEC on February 13, 2024.
101	The following financial statements from GCE's Annual Report on Form 10-K for the year ended December 31, 2024, formatted in Inline XBRL: (i) Consolidated Income Statements, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Stockholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) Consolidated Financial Statements tagged as blocks of text and including detailed tags.	Filed herewith.
104	The cover page from GCE's Annual Report on Form 10-K for the year ended December 31, 2024, formatted in Inline XBRL (included as Exhibit 101).	Filed herewith.

† Indicates a management contract or any compensatory plan, contract or arrangement.

Schedules and similar attachments have been omitted pursuant to Item 601(b)(2) of Regulation S-K. GCE will furnish supplementally a copy of any omitted schedule or similar attachment to the Securities and Exchange Commission upon request.

Certain portions of this document have been redacted pursuant to Regulation S-K, Item 601(b)(10)(iv).

†† This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. Section 1350 and is not being filed for purposes of Section 18 of the Exchange Act, and is not to be incorporated by reference into any filings of GCE, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRAND CANYON EDUCATION, INC.

By: /s/ Brian E. Mueller
Name: Brian E. Mueller
Title: Chief Executive Officer
Dated: February 19, 2025

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Brian E. Mueller, Daniel E. Bachus, and Sarah S. Collins, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he or she might or could do in person hereby ratifying and confirming all that said attorneys-in-fact and agents, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Brian E. Mueller Brian E. Mueller	Chief Executive Officer and Chairman (Principal Executive Officer)	February 19, 2025
/s/ Daniel E. Bachus Daniel E. Bachus	Chief Financial Officer (Principal Financial Officer)	February 19, 2025
/s/ Lori Browning Lori Browning	SVP, Controller –Chief Accounting Officer (Principal Accounting Officer)	February 19, 2025
/s/ Sara Ward Sara Ward	Director	February 19, 2025
/s/ Jack A. Henry Jack A. Henry	Director	February 19, 2025
/s/ Lisa Graham Keegan Lisa Graham Keegan	Director	February 19, 2025
/s/ Chevy Humphrey Chevy Humphrey	Director	February 19, 2025
/s/ Kevin F. Warren Kevin F. Warren	Director	February 19, 2025

Exhibit 10.17

SECURITY AGREEMENT

This **SECURITY AGREEMENT** (this "**Agreement**") is dated as of [October 1, 2024], and made by **GRAND CANYON EDUCATION, INC**., a Delaware corporation (individually and collectively, "**Grantor**"), to **ZIONS BANCORPORATION, N.A**. dba National Bank of Arizona, as Administrative Agent for the Lenders (as hereinafter defined) ("**Administrative Agent**", and in its capacity as Administrative Agent for the Lenders under this Agreement, "**Secured Party**").

WHEREAS, Grand Canyon University, an Arizona non-profit corporation ("**Borrower**"), has entered into that certain Credit Agreement dated as of even date herewith (as amended and in effect from time to time, the "**Credit Agreement**"), with Administrative Agent and the lenders from time to time party thereto (collectively, "**Lenders**"), pursuant to which the Lenders, subject to the terms and conditions contained therein, have agreed to make certain loans (collectively, the "**Loan**") to Grantor; and

WHEREAS, it is a condition precedent to the Lenders making the Loan to Borrower under the Credit Agreement that Grantor execute and deliver to Secured Party a security agreement in substantially the form hereof to secure the Obligations (as defined in the Credit Agreement); and

WHEREAS, Grantor wishes to grant a security interest in favor of Secured Party as herein provided;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**. All capitalized terms used herein but not defined shall have the respective meanings ascribed to them in the Credit Agreement. The term "**State,"** as used herein, means the State of Arizona. The term "**Event of Default**," as used herein, means as defined in the Credit Agreement, and each of the following shall also constitute an Event of Default under this Agreement: (a) Grantor shall fail to observe or perform any obligation or agreement contained herein; or (b) Secured Party, in good faith, believes any or all of the Collateral (defined below) and/or proceeds are in danger of misuse, dissipation, commingling, loss, theft, damage or destruction, or otherwise in jeopardy (collectively, "**in jeopardy**").

2. **Grant of Security Interest**. Grantor hereby grants to Secured Party, to secure the payment and performance in full of all of the Obligations (including, without limitation, any and all obligations of Grantor to Administrative Agent or any of the Lenders arising under or in connection with any interest rate hedging transactions entered into pursuant to any Hedging Agreements, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for any of the foregoing), a security interest in and so pledges and assigns to Secured Party the following properties, assets and rights of Grantor, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same being hereinafter called the "**Collateral**"): (a) all of Grantor's right, title and interest in and to Grantor's brokerage account WFS106030 (the "**Account**") maintained by Zions Bancorporation, N.A. (presently maintained through its Wealth Management Division)[1] and registered in the name of Grantor, including all investment property, securities, financial assets, securities entitlements, cash, and other assets held in the Account; (b) all proceeds, including cash and non-cash proceeds relating to any of the foregoing, including all cash monies, payments, revenues, distributions, dividends, securities, financial

[1] Note to draft: Confirm that account details have been specified elsewhere –investment types, fees, etc.

assets, and securities entitlements of any kind relating to any of the foregoing ("**Collateral Revenues**"); and (c) all insurance, general intangibles and account proceeds related to any of the following.

3. **Control; Authorization to File Financing Statements**. It is the intent of Grantor and Secured Party that the security interest herein granted be perfected by "control" (as defined in Section 8-106, Section 9-104 and Section 9-106 of the Uniform Commercial Code).[2] Grantor hereby agrees that it will join with Secured Party in taking any action reasonably required by Secured Party in order to perfect such security interest and protect the rights and priorities of Secured Party with respect to the Collateral. Grantor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any UCC jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral, and (b) provide any other information required by part 5 of Article 9 of the UCC of the State, or such other jurisdiction, for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Grantor is an organization, the type of organization and any organizational identification number issued to Grantor. Grantor agrees to furnish any such information to Secured Party promptly upon Secured Party's reasonable request. Grantor also ratifies its authorization for Secured Party to have filed in any UCC jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof. Further, without limiting the foregoing or any other provision of this Agreement, on a continuing basis, Grantor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or advisable or may be reasonably requested by Secured Party to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Grantor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with any applicable state or foreign office.

4. **Other Actions**. To further the attachment, perfection and first priority of, and the ability of Secured Party to enforce, Secured Party's security interest in the Collateral, and without limitation on Grantor's other obligations in this Agreement, Grantor agrees, in each case at Grantor's expense, to take the following actions with respect to the following Collateral:

4.1 **Investment Property**. If Grantor shall at any time hold or acquire any certificated securities, Grantor shall forthwith endorse, assign and deliver the same to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time to time specify. If any securities now or hereafter acquired by Grantor are uncertificated and are issued to Grantor or its nominee directly by the issuer thereof, Grantor shall immediately notify Secured Party thereof and, at Secured Party's request and option, pursuant to an agreement in form and substance satisfactory to Secured Party, either (a) cause the issuer to agree to comply with instructions from Secured Party as to such securities, without further consent of Grantor or such nominee, or (b) arrange for Secured Party to become the registered owner of the securities. If any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by Grantor are held by Grantor or its nominee through a securities intermediary or commodity intermediary, Grantor shall immediately notify Secured Party thereof and, at Secured Party's request and option, pursuant to an agreement in form and substance satisfactory to Secured Party, either (i) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply with entitlement orders or other instructions from Secured Party to such securities intermediary as to such securities or other investment property, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by Secured Party to such commodity intermediary, in each case without further consent of Grantor or such nominee, or (ii) in the case of financial assets or other investment property held through a securities intermediary, arrange for Secured Party to

[2] Note to draft: confirm how investment decisions with respect to the account will be made while Secured Party has control of the account.

become the entitlement holder with respect to such investment property, with Grantor being permitted, only with the consent of Secured Party, to exercise rights to withdraw or otherwise deal with such investment property. Secured Party agrees with Grantor that Secured Party shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by Grantor, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights not otherwise permitted by the Loan Documents, would occur. The provisions of this paragraph shall not apply to any financial assets credited to a securities account for which Secured Party is the securities intermediary.

4.2 **Electronic Chattel Paper and Transferable Records**. If Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, Grantor shall promptly notify Secured Party thereof and, at the request and option of Secured Party, shall take such action as Secured Party may reasonably request to vest in Secured Party control, under Section 9-105 of the UCC, of such electronic chattel paper or control under Section 201 of the federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as in effect in such jurisdiction, of such transferable record.

4.3 **Other Actions as to Any and All Collateral**. Grantor further agrees, at the request and option of Secured Party, to take any and all other actions Secured Party may determine to be necessary or useful for the attachment, perfection and first priority of, and the ability of Secured Party to enforce, Secured Party's security interest in any and all of the Collateral, including, without limitation, (a) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the UCC, to the extent, if any, that Grantor's signature thereon is required therefor, (b) causing Secured Party's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of Secured Party to enforce, Secured Party's security interest in such Collateral, (c) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of Secured Party to enforce, Secured Party's security interest in such Collateral, (d) using best efforts to obtain governmental and other third party waivers, consents and approvals in form and substance reasonably satisfactory to Secured Party, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral, and (e) taking all actions under any earlier versions of the UCC or under any other law, as reasonably determined by Secured Party to be applicable in any relevant UCC or other jurisdiction, including any foreign jurisdiction.

5. **Relation to Other Security Documents**. The provisions of this Agreement supplement the provisions of any assignment, security agreement or pledge agreement granted by Grantor to Secured Party which secures the payment or performance of any of the Obligations. Nothing contained in any such assignment, security agreement or pledge agreement shall derogate from any of the rights or remedies of Secured Party hereunder.

6. **Withdrawals and Substitutions**.

6.1 **Withdrawals**. So long as no Event of Default has occurred and is continuing, Grantor may make withdrawals from the securities account(s) in which Secured Party has herein been granted a security interest, with the prior written consent of Secured Party. Upon the occurrence of an Event of Default, Secured Party may take such steps as shall be necessary to preclude Grantor from making withdrawals of any type from such securities account(s) until such time as such Event of Default has been cured or waived

by Secured Party, as the case may be. Secured Party's rights under the preceding sentence of this **Section 6.1** are in addition to all other rights afforded Secured Party under this Agreement, or otherwise.

6.2 **No Liability**. Agent shall not be liable to Grantor or any other Person for any loss or diminution in value of any Collateral or the proceeds thereof, irrespective of whether Grantor may retain hereunder the right to substitute Collateral. Secured Party shall not pay interest on the Collateral and does not assume responsibility for the earning of any income thereon.

7. **Representations and Warranties Concerning Grantor's Legal Status**. Grantor represents and warrants to the Secured Party as follows: (a) the Grantor's exact legal name is that indicated on the signature page hereof, (b) Grantor is a Delaware corporation, and (c) the Grantor's principal place of business or, if more than one, its chief executive office, as well as the Grantor's mailing address, if different, is 2600 West Camelback Road, Phoenix, Arizona 85017.

8. **Covenants Concerning Grantor's Legal Status**. Grantor covenants with Secured Party as follows: (a) without providing at least thirty (30) days prior written notice to Secured Party, Grantor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one, (b) if Grantor does not have an organizational identification number and later obtains one, Grantor shall forthwith notify Secured Party of such organizational identification number, and (c) Grantor will not change its type of organization, jurisdiction of organization or other legal structure.

9. **Covenants Concerning Collateral, etc**. Grantor hereby represents, warrants and agrees that:

9.1 Grantor has full and complete marketable title to the Collateral, the Collateral is maintained solely in the name of the Grantor, and the Collateral now is, and Grantor will at all times keep the Collateral free of all liens, encumbrances and claims of any kind or nature other than the security interest of Secured Party or as permitted by Secured Party.

9.2 Grantor will not sell, transfer or otherwise dispose of any of the Collateral or any interest therein to any other Person except in accordance with Section 6.1.

9.3 All property credited to the securities account(s) in which Secured Party has herein been granted a security interest, and all other rights of Grantor arising out of such securities account(s), including any free credit balances, will be treated as "financial assets" under Article 8 of the Uniform Commercial Code.

9.4 The Collateral complies with all applicable laws, regulations, interpretations and orders concerning form, content and manner of preparation and execution.

9.5 All the Collateral has been duly and validly issued and is fully paid for and non-assessable. Except for Collateral that Grantor have specifically designated in writing as "restricted stock" and/or "control stock" as defined by Securities and Exchange Commission Rule 144 in effect on the date of this Agreement, or as may be specifically stated to Secured Party in writing prior to the date hereof, all Collateral is transferable without prior notice to, or approval or consent from, any Person or governmental authority, and there exists no condition or restriction to or affecting the transfer of the Collateral.

9.6 Grantor will pay when due and prior to delinquency all taxes, levies, assessments or other claims which are or may become liens against the Collateral.

9.7 Grantor will neither make nor permit any material change in the nature, value or type of the Collateral without Secured Party's prior written consent.

9.8 Grantor will deliver to Secured Party promptly or ensure that Secured Party promptly receives (i) all Collateral, (ii) except as otherwise provided herein, all Collateral Revenues, (iii) such specific acknowledgments, Regulation U Statement of Purpose forms or other agreements or writings as Secured Party may request relating to the Collateral, (iv) copies of records and other reports relating to the Collateral in such form and detail and at such times as Secured Party may from time to time require, and (v) such information as Secured Party requires from time to time regarding Grantor's financial condition or the Collateral and events which could affect either or both, and will permit Secured Party access at reasonable times to its records containing such information.

9.9 Grantor will from time to time as required by Secured Party: execute and deliver to Secured Party, and file or record at Grantor's expense, all notices and other documents Secured Party deems necessary in order for it to maintain a first-priority perfected security interest and control over, the Collateral; and perform such other acts, and execute and deliver to Secured Party in, such additional assignments, agreements and instruments as Secured Party may request in connection with the administration and enforcement of this Agreement and Secured Party's or Lenders' rights, powers and remedies hereunder.

9.10 Grantor will from time to time as required by Secured Party: (i) comply with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of Secured Party to enforce, Secured Party's security interest in such Collateral, (ii) obtain governmental and other third party waivers, consents and approvals in form and substance satisfactory to Secured Party, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral, (iii) take all actions under any earlier versions of the Uniform Commercial Code or under any other law, as reasonably determined by Secured Party to be applicable in any relevant Uniform Commercial Code or other jurisdiction, including any foreign jurisdiction.

9.11 Grantor, without providing at least 30 days' prior written notice to Secured Party, will not change Grantor's name or principal place of business.

9.12 Grantor will not exercise or refrain from exercising any voting or consensual rights or powers relating to any Collateral if, in the reasonable judgment of Secured Party, such action would have a material adverse effect on the value of the Collateral.

10. **Intentionally Omitted**.

11. **Collateral Protection Expenses; Preservation of Collateral**.

11.1 **Expenses Incurred by Secured Party**. In Secured Party's discretion, if Grantor fails to do so, Secured Party may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, maintain any of the Collateral, or pay any necessary filing fees or insurance premiums. Grantor agrees to reimburse Secured Party on demand for all expenditures so made. Secured Party shall have no obligation to Grantor to make any such expenditures, nor shall the making thereof be construed as the waiver or cure of any Event of Default.

11.2 **Secured Party's Obligations and Duties**. Anything herein to the contrary notwithstanding, Grantor shall remain obligated and liable under each contract or agreement comprised in the Collateral to be observed or performed by Grantor thereunder. Secured Party shall not have any

obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by Secured Party of any payment relating to any of the Collateral, nor shall Secured Party be obligated in any manner to perform any of the obligations of Grantor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to Secured Party or to which Secured Party may be entitled at any time or times. Secured Party's sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC of the State or otherwise, shall be to deal with such Collateral in the same manner as Secured Party deals with similar property for its own account.

12. **Securities and Deposits**. Subject to Section 13, Secured Party may at any time following and during the continuance of an Event of Default, at its option, transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Obligations. Subject to Section 13, whether or not any Obligations are due, Secured Party and Lenders may following and during the continuance of an Event of Default demand, sue for, collect, or make any settlement or compromise which it deems desirable with respect to the Collateral. Subject to Section 13, regardless of the adequacy of Collateral or any other security for the Obligations, any deposits or other sums at any time credited by or due from Secured Party or Lenders to Grantor may at any time be applied to or set off against any of the Obligations.

13. **Secured Party's Agreements Regarding Remedies**. Notwithstanding anything to the contrary in this Agreement, Secured Party agrees that, prior to the exercise of any of Secured Party's rights to liquidate, sell or otherwise dispose of (including by setoff or otherwise) any portion of the Collateral described in this Agreement, Secured Party shall liquidate, sell or otherwise dispose of the Borrower Collateral (as defined below) and apply the proceeds from such liquidation, sale or other disposition towards the payment of the Obligations; provided, however, nothing herein shall prevent Secured Party from liquidating, selling or otherwise disposing of (including by setoff or otherwise) all or any portion of the Collateral if Secured Party's right to liquidate, sell or otherwise dispose of the Borrower Collateral is prevented, stayed or otherwise precluded by law, rule (administrative or otherwise), statute, or court order (including the application of any automatic stay or other similar rule or law). For clarity, Secured Party's agreement to use the efforts described above will not be construed to require Secured Party to initiate or institute any suit, cause of action or other judicial proceeding to permit it to liquidate, sell or otherwise dispose of the Borrower Collateral. As used herein, "Borrower Collateral" means all "Collateral" as defined in that certain Security Agreement dated as of October 1, 2024 by and among Borrower, as grantor, and Zions Bancorporation, N.A. dba National Bank of Arizona, as secured party.

14. **Power of Attorney**.

14.1 **Appointment and Powers of Secured Party**.

(a) Grantor hereby irrevocably constitutes and appoints Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full power and authority in the place and stead of Grantor or in Secured Party's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of Grantor, without notice to or assent by Grantor, to do the following:

(b) At any time after the occurrence and during the continuation of an Event of Default that is not timely cured as set forth in the Credit Agreement, without notice, and at Grantor's expense, Secured Party in its name or in the name of Grantor may, but shall not be obligated to (i) collect by legal proceedings or otherwise, endorse, receive and receipt for all dividends, interest, principal payments and other sums now or hereafter payable upon or on account of the Collateral; (ii) make any compromise or settlement it deems desirable or proper with reference to the Collateral; (iii) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, stock split, merger or liquidation of any issuer of any Collateral, and, in connection therewith, deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be applied to the Obligations or held by Secured Party thereafter as Collateral pursuant to the provisions hereof; (iv) cause Collateral to be transferred to its name (if not already in Secured Party's name) or to the name of its nominee; and (v) exercise as to the Collateral all the rights, powers and remedies of an owner.

(c) to the extent that Grantor's authorization given in Section 3 is not sufficient, to file such financing statements with respect hereto, with or without Grantor's signature, or a photocopy of this Agreement in substitution for a financing statement, as Secured Party may deem appropriate and to execute in Grantor's name such financing statements and amendments thereto and continuation statements which may require Grantor's signature.

14.2 **Ratification by Grantor**. To the extent permitted by law, Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable until the termination of this Agreement.

14.3 **No Duty on Secured Party**. The powers conferred on Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to Grantor for any act or failure to act, except for Secured Party's own gross negligence or willful misconduct.

15. **Rights and Remedies**. During the continuation of an Event of Default, Secured Party, without any other notice to or demand upon Grantor, has in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the UCC of the State and any additional rights and remedies which may be provided to a secured party in any jurisdiction in which Collateral is located, including, without limitation, the right to take possession of the Collateral. In addition, Grantor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of Secured Party's rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

16. **Standards for Exercising Rights and Remedies**. To the extent that applicable law imposes duties on Secured Party to exercise remedies in a commercially reasonable manner, Grantor acknowledges and agrees that it is not commercially unreasonable for Secured Party (a) to fail to incur expenses reasonably deemed significant by Secured Party to prepare Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on

Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as Grantor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Secured Party against risks of loss, collection or disposition of Collateral or to provide to Secured Party a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Secured Party in the collection or disposition of any of the Collateral. Grantor acknowledges that the purpose of this Section 16 is to provide non-exhaustive indications of what actions or omissions by Secured Party would fulfill Secured Party's duties under the UCC or other law of the State or any other relevant jurisdiction in Secured Party's exercise of remedies against the Collateral and that other actions or omissions by Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section 16. Without limitation upon the foregoing, nothing contained in this Section 16 shall be construed to grant any rights to Grantor or to impose any duties on Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 16.

17. **No Waiver by Secured Party, etc**. Secured Party shall not be deemed to have waived any of its rights or remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of Secured Party with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as Secured Party deems expedient.

18. **Suretyship Waivers by Grantor**. Grantor waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, Grantor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as Secured Party may deem advisable. Secured Party shall have no duty as to the collection or protection of the Collateral or any income therefrom, the preservation of rights against prior parties, or the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth in Section 11.2. Grantor further waives any and all other suretyship defenses.

19. **Marshaling**. Subject to Section 13, Secured Party shall not be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Grantor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of Secured Party's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations

is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Grantor hereby irrevocably waives the benefits of all such laws.

20. **Proceeds of Dispositions; Expenses**. Grantor shall pay to Secured Party on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Secured Party in protecting, preserving or enforcing Secured Party's rights and remedies under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale or other disposition of the Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as set forth in the Credit Agreement, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the UCC of the State, any excess shall be promptly returned to Grantor. In the absence of final payment and satisfaction in full of all of the Obligations, Grantor shall remain liable for any deficiency.

21. **Overdue Amounts**. Until paid, all amounts due and payable by Grantor hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the default rate of interest provided in the Credit Agreement.

22. **Governing Law; Consent to Jurisdiction**. THIS AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ARIZONA. Grantor agrees that any action or claim arising out of, or any dispute in connection with, this Agreement, any rights, remedies, obligations, or duties hereunder, or the performance or enforcement hereof or thereof, may be brought in the courts of the State or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon Grantor by mail at the address specified in the Credit Agreement. Grantor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

23. **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which collectively shall be deemed to be one and the same agreement, binding on all of the parties hereto notwithstanding that all such parties have not signed the same counterpart. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

24. **Continuation and Termination**. This Agreement shall continue in effect until the earlier of (a) both of the following have occurred: (i) payment and performance in full of all Obligations and (ii) the full and final termination of any commitment to extend any financial accommodations under the Credit Agreement, or (b) Borrower's pledge to Lender of $100,000,000 in cash collateral in substitution of the Collateral.

25. **DISPUTE RESOLUTION**. This Section contains a jury waiver, arbitration clause, and a class action waiver. READ IT CAREFULLY.

This dispute resolution provision shall supersede and replace any prior "Jury Waiver," "Judicial Reference," "Class Action Waiver," "Arbitration," "Dispute Resolution," or similar alternative dispute agreement or provision between or among the parties.

25.1 **JURY TRIAL WAIVER; CLASS ACTION WAIVER**. As permitted by applicable law, each party waives their respective rights to a trial before a jury in connection with any Dispute (as "Dispute" is hereinafter defined), and Disputes shall be resolved by a judge sitting without a jury. If a court determines that this provision is not enforceable for any reason and at any time prior to trial of the Dispute, but not later than 30 days after entry of the order determining this provision is unenforceable, any party shall be entitled to move the court for an order compelling arbitration and staying or dismissing such litigation pending arbitration ("Arbitration Order"). If permitted by applicable law, each party also waives the right to litigate in court or an arbitration proceeding any Dispute as a class action, either as a member of a class or as a representative, or to act as a private attorney general.

25.2 **ARBITRATION**. If a claim, dispute, or controversy arises between us with respect to this Agreement, related agreements, or any other agreement or business relationship between any of us whether or not related to the subject matter of this Agreement (all of the foregoing, a "Dispute"), and only if a jury trial waiver is not permitted by applicable law or ruling by a court, any of us may require that the Dispute be resolved by binding arbitration before a single arbitrator at the request of any party. By agreeing to arbitrate a Dispute, each party gives up any right that party may have to a jury trial, as well as other rights that party would have in court that are not available or are more limited in arbitration, such as the rights to discovery and to appeal.

Arbitration shall be commenced by filing a petition with, and in accordance with the applicable arbitration rules of, JAMS or National Arbitration Forum ("Administrator") as selected by the initiating party. If the parties agree, arbitration may be commenced by appointment of a licensed attorney who is selected by the parties and who agrees to conduct the arbitration without an Administrator. Disputes include matters (i) relating to a deposit account, application for or denial of credit, enforcement of any of the obligations we have to each other, compliance with applicable laws and/or regulations, performance or services provided under any agreement by any party, (ii) based on or arising from an alleged tort, or (iii) involving either of our employees, agents, affiliates, or assigns of a party. However, Disputes do not include the validity, enforceability, meaning, or scope of this arbitration provision and such matters may be determined only by a court. If a third party is a party to a Dispute, we each will consent to including the third party in the arbitration proceeding for resolving the Dispute with the third party. Venue for the arbitration proceeding shall be at a location determined by mutual agreement of the parties or, if no agreement, in the city and state where lender or bank is headquartered.

After entry of an Arbitration Order, the non-moving party shall commence arbitration. The moving party shall, at its discretion, also be entitled to commence arbitration but is under no obligation to do so, and the moving party shall not in any way be adversely prejudiced by electing not to commence arbitration. The arbitrator: (i) will hear and rule on appropriate dispositive motions for judgment on the pleadings, for failure to state a claim, or for full or partial summary judgment; (ii) will render a decision and any award applying applicable law; (iii) will give effect to any limitations period in determining any Dispute or defense; (iv) shall enforce the doctrines of compulsory counterclaim, res judicata, and collateral estoppel, if applicable; (v) with regard to motions and the arbitration hearing, shall apply rules of evidence governing civil cases; and (vi) will apply the law of the state specified in the agreement giving rise to the Dispute. Filing of a petition for arbitration shall not prevent any party from (i) seeking and obtaining from a court of competent jurisdiction (notwithstanding ongoing arbitration) provisional or ancillary remedies including but not limited to injunctive relief, property preservation orders, foreclosure, eviction, attachment, replevin, garnishment, and/or the appointment of a receiver, (ii) pursuing non-judicial foreclosure, or (iii) availing

itself of any self-help remedies such as setoff and repossession. The exercise of such rights shall not constitute a waiver of the right to submit any Dispute to arbitration.

Judgment upon an arbitration award may be entered in any court having jurisdiction except that, if the arbitration award exceeds $4,000,000, any party shall be entitled to a de novo appeal of the award before a panel of three arbitrators. To allow for such appeal, if the award (including Administrator, arbitrator, and attorney's fees and costs) exceeds $4,000,000, the arbitrator will issue a written, reasoned decision supporting the award, including a statement of authority and its application to the Dispute. A request for de novo appeal must be filed with the arbitrator within 30 days following the date of the arbitration award; if such a request is not made within that time period, the arbitration decision shall become final and binding. On appeal, the arbitrators shall review the award de novo, meaning that they shall reach their own findings of fact and conclusions of law rather than deferring in any manner to the original arbitrator. Appeal of an arbitration award shall be pursuant to the rules of the Administrator or, if the Administrator has no such rules, then the JAMS arbitration appellate rules shall apply.

Arbitration under this provision concerns a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 *et seq*. This arbitration provision shall survive any termination, amendment, or expiration of this Agreement. If the terms of this provision vary from the Administrator's rules, this arbitration provision shall control.

25.3 **RELIANCE**. Each party (i) certifies that no one has represented to such party that the other party would not seek to enforce jury and class action waivers in the event of suit, and (ii) acknowledges that it and the other party have been induced to enter into this Agreement by, among other things, the mutual waivers, agreements, and certifications in this Section.

26. **Unlawful Use, Medical Marijuana, Controlled Substances and Prohibited Activities**. Grantor shall not use, occupy, or permit the use or occupancy of any leased or owned real property or any Collateral by Grantor or any lessee, tenant, licensee, permittee, agent, or any other person in any manner that would be a violation of any applicable federal, state or local law or regulation, regardless of whether such use or occupancy is lawful under any conflicting law, including without limitation any law relating to the use, sale, possession, cultivation, manufacture, distribution or marketing of any controlled substances or other contraband (whether for commercial, medical, or personal purposes), or any law relating to the medicinal use or distribution of marijuana (collectively, "**Prohibited Activities**"). Any lease, license, sublease or other agreement for use, occupancy or possession of any leased or owned real property or any Collateral (collectively a "**lease**") with any third person ("**lessee**") shall expressly prohibit the lessee from engaging or permitting others to engage in any Prohibited Activities. Grantor shall upon demand provide Secured Party with a written statement setting forth its compliance with this section and stating whether any Prohibited Activities are or may be occurring in, on or around any leased or owned real property or any Collateral. If Grantor becomes aware that any lessee is likely engaged in any Prohibited Activities, Grantor shall, in compliance with applicable law, terminate the applicable lease and take all actions permitted by law to discontinue such activities. Grantor shall keep Secured Party fully advised of its actions and plans to comply with this section and to prevent Prohibited Activities.

This section is a material consideration and inducement upon which Secured Party relies in extending the Loan and other financial accommodations to Grantor. Failure by Grantor to comply with this section shall constitute a material non-curable Event of Default. Notwithstanding anything in this Agreement, the Credit Agreement or the Loan Documents regarding rights to cure Events of Default, Secured Party is entitled upon breach of this section to immediately exercise any and all remedies under this Agreement, the Credit Agreement, the Loan Documents, and by law.

In addition and not by way of limitation, Grantor shall indemnify, defend and hold Secured Party harmless for, from and against any loss, claim, damage, liability, fine, penalty, cost or expense (including attorneys' fees and expenses) arising from, out of or related to any Prohibited Activities at or on any leased or owned real property or any Collateral, Prohibited Activities by Grantor or any lessee of any leased or owned real property or any Collateral, or Grantor's breach, violation, or failure to enforce or comply with any of the covenants set forth in this section. This indemnity includes, without limitation any claim by any governmental entity or agency, any lessee, or any third person, including any governmental action for seizure or forfeiture of any leased or owned real property or any Collateral (with or without compensation to Secured Party, and whether or not any leased or owned real property or any Collateral is taken free of or subject to Secured Party's lien or security interest).

27. **WAIVER OF DEFENSES AND RELEASE OF CLAIMS**. The undersigned hereby (i) represents that neither the undersigned nor any principal of the undersigned has any defenses to or setoffs against any indebtedness or other obligations owing in connection with the Loan by Grantor, or by the undersigned's principals, to Secured Party or Secured Party's affiliates (as used in this Section 28, the "Obligations"), nor any claims against Secured Party or Secured Party's affiliates for any matter whatsoever, related or unrelated to the Obligations, and (ii) releases Secured Party and Secured Party's affiliates, officers, directors, employees and agents from all claims, causes of action, and costs, in law or equity, known or unknown, whether or not matured or contingent, existing as of the date hereof that the undersigned has or may have by reason of any matter of any conceivable kind or character whatsoever, related or unrelated to the Obligations, including the subject matter of this Agreement. The foregoing release does not apply, however, to claims for future performance of express contractual obligations that mature after the date hereof that are owing to the undersigned by Secured Party or Secured Party's affiliates. As used in this paragraph, the word "undersigned" does not include Secured Party or any individual signing on behalf of Secured Party. The undersigned acknowledges that Secured Party has been induced to enter into or continue the Obligations by, among other things, the waivers and releases in this paragraph.

28. **Document Imaging**. Secured Party shall be entitled, in its sole discretion, to image or make copies of all or any selection of the agreements, instruments, documents, and items and records governing, arising from or relating to any of Grantor's loans, including, without limitation, this Agreement and the Loan Documents, and Secured Party may destroy or archive the paper originals. The parties hereto (i) waive any right to insist or require that Secured Party produce paper originals, (ii) agree that such images shall be accorded the same force and effect as the paper originals, (iii) agree that Secured Party is entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or other proceedings, and (iv) further agree that any executed facsimile (faxed), scanned, or other imaged copy of this Agreement or any Loan Document shall be deemed to be of the same force and effect as the original manually executed document.

29. **Miscellaneous**. The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon Grantor and its respective successors and assigns, and shall inure to the benefit of Secured Party and its successors and assigns. This Agreement may be amended or modified only in writing signed by Secured Party and Grantor. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. Grantor acknowledges receipt of a copy of this Agreement.

30. **Non-Borrower Grantor**.

30.1 **Rights of Secured Party**. With respect to the Obligations, Grantor authorizes Secured Party to perform any or all of the following acts at any time in its sole discretion, all without notice to or

the consent or approval of Grantor and without affecting Secured Party's rights or Grantor's obligations under this Agreement:

(a) Secured Party may alter any Obligation, including renewing, compromising, extending or accelerating, or otherwise changing the time for payment of, or increasing or decreasing the rate of interest on, all or any part of any Obligation.

(b) Secured Party may take and hold security for any Obligation, accept additional or substituted security therefor, and subordinate, exchange, enforce, waive, release, compromise, fail to perfect, and sell or otherwise dispose of any such security.

(c) Secured Party may direct the order and manner of any public or private sale of all or any part of any security assigned to Secured Party by Borrower or any other person, or otherwise to comply with the Uniform Commercial Code with respect to any personal property collateral, and Secured Party may also bid at any such sale.

(d) Secured Party may apply any payments or recoveries from Borrower, any guarantor (a "**Guarantor**") of any Obligation or any other source, and any proceeds of any security, to the Obligations in such manner, order and priority as Secured Party may elect, whether or not those obligations are secured at the time of the application.

(e) Secured Party may release Borrower or any other person of its liability for all or any part of any Obligation.

(f) Secured Party may substitute, add, or release any one or more Guarantors or endorsers.

(g) In addition to the Obligations, Secured Party may extend other credit to Borrower, and may take and hold security for the credit so extended, all without affecting Grantor's liability under this Agreement.

30.2 **Grantor's Waivers**. Grantor waives:

(a) Subject to Section 13, any right it may have to require Secured Party to proceed against Borrower or any other person, proceed against or exhaust any security held from Borrower or any other person, or pursue any other remedy in Secured Party's power to pursue;

(b) Any defense based on any claim that Grantor's obligations exceed or are more burdensome than those of Borrower;

(c) Any defense based on (i) any legal disability of Borrower or any other person, (ii) any release, discharge, modification, impairment, or limitation of the liability of Borrower or any other person to Secured Party from any cause, whether consented to by Secured Party or arising by operation of law or from any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships ("**Insolvency Proceeding**"), and (iii) any rejection or disaffirmance of all or any part of any Obligation, or any security therefor, in any such Insolvency Proceeding;

(d) Any defense based on any action taken or omitted by Secured Party in any Insolvency Proceeding involving Borrower, including any election to have Secured Party's claim allowed as being secured, partially secured or unsecured, any extension of credit by Secured Party to Borrower in

any Insolvency Proceeding, and the taking and holding by Secured Party of any security for any such extension of credit;

(e) All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind;

(f) Any defense based on or arising out of any defense that Borrower may have to the payment or performance of all or any part of any Obligation;

(g) Any defense based on the unenforceability or invalidity of any collateral assignment or guaranty with respect to any Obligation, or the lack of perfection or continuing perfection or lack of priority of any lien (other than the lien of the Agreement) which secures any Obligation; and

(h) Any failure of Secured Party to marshal assets in favor of Grantor or any other person.

30.3 **Waivers of Subrogation and Other Rights**.

(a) Subject to Section 13, upon a default by Borrower, Secured Party in its sole discretion, without prior notice to or consent of Grantor, may elect to (i) foreclose either judicially or nonjudicially against any real or personal property security that Secured Party may hold for the Obligations, (ii) accept a transfer of any such security in lieu of foreclosure, (iii) compromise or adjust all or any part of any Obligation or make any other accommodation with Borrower or any Guarantor, or (iv) exercise any other remedy against Borrower or any security. No such action by Secured Party shall release or limit the liability of Grantor, who shall remain liable under this Agreement after the action, even if the effect of the action is to deprive Grantor of any subrogation rights, rights of indemnity, or other rights to collect reimbursement from Borrower for any sums paid to Secured Party, whether contractual or arising by operation of law or otherwise. Grantor expressly agrees that under no circumstances shall it be deemed to have any right, title, interest, or claim in or to any real or personal property to be held by Secured Party or any third party after any foreclosure or transfer in lieu of foreclosure of any security for the Obligations.

(b) Regardless of whether Grantor may have made any payments to Secured Party, Grantor forever waives (i) all rights of subrogation, all rights of indemnity, and any other rights to collect reimbursement from Borrower for any sums paid by Grantor to Secured Party with respect to the Obligations, whether contractual or arising by operation of law (including the United States Bankruptcy Code or any successor or similar statute) or otherwise, (ii) all rights to enforce any remedy that Grantor may have against Borrower with respect to the Obligations, and (iii) all rights to participate in any security now or later to be held by Secured Party for the Obligations.

(c) Grantor understands and acknowledges that if Secured Party forecloses judicially or nonjudicially against any real property security for the Loan, such foreclosure could impair or destroy any ability that Grantor may have to seek reimbursement, contribution, or indemnification from Borrower or others based on any right that Grantor may have of subrogation, reimbursement, contribution, or indemnification for any amounts paid by Grantor under the Agreement.

(d) All notices to Grantor, to Borrower, or to any other person, including, but not limited to, notices of the acceptance of this Agreement, or the creation, renewal, extension, modification or accrual of any of the Obligations owed to Secured Party and, enforcement of any right or remedy with respect thereto, and notice of any other matters relating thereto.

(e) Diligence and demand of payment, presentment, protest, dishonor and notice of dishonor.

(f) All defenses and claims based on principles of suretyship and/or guaranty.

(g) Any and all benefits under Arizona Revised Statutes ("A.R.S.") Sections 12-1641 through 12-1646 and Rule 17(f) of the Arizona Rules of Civil Procedure.

(h) All statutes of limitations as a defense to any action or proceeding brought against Grantor by Secured Party, to the fullest extent permitted by law.

30.4 **Information Regarding Borrower**. Grantor warrants and agrees that Grantor has not relied, and will not rely, on any representations and warranties by Secured Party to Grantor with respect to the creditworthiness of Borrower or the prospects of repayment of any Obligation from sources other than the Collateral. Before signing this Agreement, Grantor will have investigated the financial condition and business operations of Borrower, and such other matters as Grantor may deem appropriate to assure itself of Borrower's ability to discharge its obligations under or with respect to the Obligations. Grantor assumes full responsibility for such due diligence, as well as for keeping informed of all matters which may affect Borrower's ability to pay and perform its obligations to Secured Party. Secured Party has no duty to disclose to Grantor any information which Secured Party may have or receive about Borrower's financial condition or business operations, or any other circumstances bearing on Borrower's ability to perform. Grantor is familiar with the terms and conditions of the Loan Documents and consents to all provisions thereof.

30.5 **Subordination.** Any rights of Grantor, whether now existing or later arising, to receive payment on account of any indebtedness (including interest) owed to it by Borrower,[3] or to withdraw capital invested by it in Borrower (if applicable), or to receive distributions from Borrower (if applicable), shall at all times be subordinate as to lien and time of payment and in all other respects to the full and prior repayment to Secured Party of all Obligations; provided, however, that prior to the occurrence of an Event of Default, Grantor may receive payments of such subordinated obligations in the ordinary course of business and in a manner that is consistent with past practices. For the avoidance of doubt, this Section 30.5 does not apply to any payments made by Borrower and received by Grantor under and pursuant to that certain Master Services Agreement between Borrower and Grantor, dated July 1, 2018 (as the same may be amended and/or amended and restated from time to time).

30.6 **Consideration.**

(a) Grantor acknowledges that it expects to benefit from Secured Party's entering into certain material transactions with respect to the Obligations because of Grantor's relationship to Borrower, and that it is executing this Agreement in consideration of such anticipated benefit.

(b) Grantor does not intend to defraud any of its creditors by execution and delivery of the Agreement. Grantor is not insolvent, and Grantor shall not be rendered insolvent by virtue of such execution of the Agreement. Grantor has determined that, in its opinion, the fair market value of the benefits to be derived by it from such execution of the Agreement will equal or exceed the cost and expense that may be incurred by Grantor under or in connection with the Agreement.

30.7 **Lawfulness and Reasonableness**. Grantor warrants that all of the waivers in this Agreement are made with full knowledge of their significance, and of the fact that events giving rise to any

[3] Note to draft: Confirm no debt currently owed by GCU to GCE.

defense or other benefit waived by Grantor may destroy or impair rights which Grantor would otherwise have against Secured Party, Borrower and other persons, or against collateral. Grantor agrees that (i) all such waivers are reasonable under the circumstances and (ii) if any such waiver is determined (by a court of competent jurisdiction) to be contrary to any law or public policy, the other waivers herein shall nonetheless remain in full force and effect.

30.8 **Agreement to be Absolute**. Grantor expressly agrees that until each and every term, covenant and condition of this Agreement is fully performed, Grantor shall not be released by or because of:

(a) Any act or event which might otherwise discharge, reduce, limit or modify Grantor's obligations under this Agreement;

(b) Any waiver, extension, modification, forbearance, delay or other act or omission of Secured Party, or its failure to proceed promptly or otherwise against Borrower, Grantor or any security;

(c) Any action, omission or circumstance which might increase the likelihood that Grantor may be called upon to perform under this Agreement or which might affect the rights or remedies of Grantor against Borrower; or

(d) Any dealings occurring at any time between Borrower and Secured Party, whether relating to the Obligations or otherwise.

Grantor hereby expressly waives and surrenders any defense to its liability under this Agreement based upon any of the foregoing acts, omissions, agreements, waivers or matters. It is the purpose and intent of this Agreement that the obligations of Grantor under it shall be absolute and unconditional under any and all circumstances.

30.9 **Limitation on Amount Obligated; Contribution by Other Persons**. Anything contained in this Agreement to the contrary notwithstanding, if any Fraudulent Transfer Law (as hereinafter defined) is determined by a court of competent jurisdiction to be applicable to the obligations of Grantor under the Agreement, such obligations shall be limited to a maximum aggregate amount equal to the largest amount that would not render Grantor's obligations under the Agreement subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any applicable provisions of comparable state law (collectively, the "**Fraudulent Transfer Laws**"), in each case after giving effect to all other liabilities of Grantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of Grantor in respect of intercompany indebtedness, if any, to Borrower or any Affiliate (as defined in the Credit Agreement) of Borrower to the extent that such indebtedness would be discharged in an amount equal to the amount paid by Grantor under the Agreement pursuant to which the liability of Grantor under the Agreement is included in the liabilities taken into account in determining such maximum amount) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, reimbursement, indemnification, or contribution of Grantor pursuant to applicable law or pursuant to the terms of any agreement.

30.10 **Enforceability**. Grantor hereby acknowledges that (i) the obligations undertaken by Grantor in the Agreement are complex in nature, (ii) numerous possible defenses to the enforceability of these obligations may presently exist and/or may arise hereafter, (iii) as part of Secured Party's consideration for accepting the Agreement as security the Loan, Secured Party has specifically bargained for the waiver and relinquishment by Grantor of all such defenses, and (iv) Grantor has had the opportunity to seek and receive legal advice from skilled legal counsel in the area of financial transactions of the type

contemplated herein. Given all of the above, Grantor hereby represents and confirms to Secured Party that Grantor is fully informed regarding, and that Grantor does thoroughly understand, (w) the nature of all such possible defenses, (x) the circumstances under which such defenses may arise, (y) the benefits which such defenses might confer upon Grantor, and (z) the legal consequences to Grantor of waiving such defenses. Grantor acknowledges that Grantor enters into this Agreement with the intent that the Agreement and all of the informed waivers in this Agreement shall each and all be fully enforceable by Secured Party, and that Secured Party is accepting the Agreement in material reliance upon the presumed full enforceability thereof.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, intending to be legally bound, Grantor has caused this Agreement to be duly executed as of the date first above written.

DEBTOR:

GRAND CANYON EDUCATION, INC., a Delaware corporation

By: /s/ Daniel E. Bachus
Name: Daniel E. Bachus
Title: Chief Financial Officer

Accepted:

ZIONS BANCORPORATION, N.A. dba National Bank of Arizona

By: /s/ Sabina Aaronson
Name: Sabina Aaronson
Title: Vice President

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT (this "**Agreement**") dated October 1, 2024, is by and between **GRAND CANYON EDUCATION, INC.,** a Delaware corporation ("**Pledgor**"), and **MIDFIRST BANK,** a federally chartered savings association ("**Lender**").

RECITALS:

A. **GRAND CANYON UNIVERSITY**, an Arizona nonprofit corporation ("**Borrower**") and Lender entered into that certain Loan Agreement dated as of the date hereof (the "**Loan Agreement**") pursuant to which the Lender has made a term loan to Borrower in the principal amount of TWO HUNDRED FIFTY MILLION AND NO/100 DOLLARS ($250,000,000.00) (the "**Loan**") upon the terms and conditions set forth in the Loan Agreement. All capitalized terms used in this Agreement and not otherwise defined have the meanings given to such terms in the Loan Agreement.

B. The Loan is evidenced by that (i) certain $150,000,000.00 Promissory Note A ("**Note A**"), dated of even date herewith, made by Borrower in favor of Lender and (ii) certain $100,000,000.00 Promissory Note B, dated of even date herewith, made by Borrower in favor of Lender ("**Note B**" and individually and/or collectively, as the context requires, with Note A, the "**Note**").

C. Lender and Pledgor now desire to enter into this Agreement to grant to Lender a first priority lien and security interest in and to, and a right of set-off with respect to, the Deposit Account (as hereinafter defined) to secure Borrower's obligations under the Loan Documents.

NOW, THEREFORE, Pledgor and Lender hereby agree as follows:

1. Establishment of Controlled Account and Unrestricted Account.

(a) Establishment. Pledgor and Lender agree that substantially concurrently herewith, that certain deposit account number 2521005818 in the name of Pledgor with a minimum balance of One Hundred Million and No/100 Dollars ($100,000,000.00) (the "**Deposit Account**") is established and shall be maintained with Lender.

(b) Control; Disbursements. Lender has sole control of the Deposit Account until the termination of this Agreement. Thereafter, Pledgor shall have sole control of the Deposit Account.

(c) Unrestricted Account. Pledgor and Lender agree that substantially concurrently herewith, that certain deposit account number 2529937052 in the name of Pledgor (the "**Unrestricted Account**") is established and shall be maintained with Lender. Upon the monthly posting of interest earned on the Deposit Account and so long as no

Event of Default shall have occurred and be continuing, Lender shall sweep the interest earned on the Deposit Account to the Unrestricted Account. Pledgor shall have sole control of the Unrestricted Account.

2. Grant of Security Interest.

(a) As collateral security for the prompt and complete payment when due of all the Obligations under the Loan Documents, Pledgor has granted, bargained, sold, assigned, pledged, and set over and by these presents does hereby grant, bargain, sell, assign, pledge, transfer and set over unto the Lender for the benefit of Lender and its successors and assigns, a security interest in and to, all of Pledgor's right, title and interest in and to the Deposit Account (including cash now or hereafter held by the Lender or deposited in the Deposit Account), together with all rights and proceeds respecting Deposit Account (collectively, the "**Collateral**"). Pledgor does hereby grant control of the Deposit Account to Lender in accordance with the Arizona Uniform Commercial Code. If requested by Lender, Pledgor authorizes Lender prepare and file one or more UCC financing statements for filing by Lender with the Delaware Secretary of State (the jurisdiction of Pledgor's formation), or such other governmental offices as Lender may deem necessary to perfect its security interests hereunder and Pledgor agrees to execute and deliver one or more control agreements or other documents requested by Lender. Pledgor authorizes Lender to enter into any agreement or other instruments as Lender deems necessary to effect control over the Deposit Account and all amounts on deposit therein. Notwithstanding anything to the contrary in this Agreement, the assignment of Pledgor's rights and interests in and to the Deposit Account and all amounts on deposit therein does not include Pledgor delegating or assigning to Lender any of its obligations under the Deposit Account and any agreement governing such Deposit Account between Lender, in its capacity as the administrator of the account, and Pledgor.

(b) To the extent that applicable law imposes duties on Lender to exercise remedies in a commercially reasonable manner, Pledgor acknowledges and agrees that it is not commercially unreasonable for Lender to (i) fail to incur expenses to prepare the Deposit Account for disposition, (ii) to fail to obtain governmental or third party consents for the disposition of the Deposit Account, (iii) to fail to remove liens or encumbrances on or any adverse claims against the Deposit Account, (iv) to disclaim disposition warranties, or (v) to the extent deemed appropriate by Lender, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Lender in the collection or disposition of any of the Deposit Account. Pledgor acknowledges that the purpose of this **Section 2(b)** is to provide non-exhaustive indications of what actions or omissions by Lender would fulfill Lender's duties under the Uniform Commercial Code or other law of the State of Arizona or any other relevant jurisdiction in Lender's exercise of remedies against the Deposit Account and that other actions or omissions by Lender shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this **Section 2(b)**. Without limitation upon the foregoing, nothing contained in this **Section 2(b)** shall be construed to grant any rights to Pledgor or to impose any duties on Lender that would not have been granted or imposed by this Agreement or by applicable law in the absence of this **Section 2(b)**.

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(c) Pledgor represents and warrants to Lender as follows: (a) Pledgor's exact legal name is as indicated in the introductory paragraph hereof and on the signature page hereof and (b) Pledgor is an organization of the type and is organized in the jurisdiction set forth in the introductory paragraph hereof. Pledgor covenants with Lender as follows: (x) without providing at least 30 days prior written notice to Lender, Pledgor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one, (y) if Pledgor does not have an organizational identification number and later obtains one, Pledgor shall forthwith notify Lender of such organizational identification number, and (z) Pledgor will not change its type of organization, jurisdiction of organization or other legal structure.

3. Terms and Conditions.

(a) Administration by Lender of the Deposit Account. The Deposit Account shall be held in the sole dominion and control of Lender and shall be administered, invested and managed by Lender in its reasonable discretion, and Pledgor shall have no rights or powers with respect to, or control over, the Deposit Account.

(b) Lender's Rights. Lender has, with respect to the amounts deposited by Pledgor into the Deposit Account, all rights and remedies of a secured party under Articles 8 and 9a of the Arizona Uniform Commercial Code and other applicable laws. Pledgor does hereby grant Lender, control of the Deposit Account and any funds therein, as provided by the applicable Uniform Commercial Code.

(c) Set-Off. In addition to any other rights and remedies of Lender, Lender is authorized at any time and from time to time, following the occurrence of an Event of Default, without prior notice to Pledgor (any such notice being waived by Pledgor to the fullest extent permitted by law) to setoff and apply any and all amounts in Deposit Account at any time held by Lender to or for the credit or the account of Pledgor against any and all obligations of Borrower under the Loan Documents, now or hereafter existing, irrespective of whether or not Lender shall have made demand under the Loan Agreement or any other Loan Document and although such amounts owed may be contingent or unmatured. If Lender exercises such setoff right, it agrees promptly to notify Pledgor after any such setoff and application made by Lender and to provide a reasonable accounting of how such setoff was applied; *provided, however*, that the failure to give such notice shall not affect the validity of such setoff and application.

(d) Lender's Agreements Regarding Remedies. Notwithstanding anything to the contrary in this Agreement, Lender agrees that, so long as the time for payment of the Indebtedness by Borrower has not been stayed, enjoined or prevented for any reason (including a stay or injunction resulting from the pendency against Borrower of a bankruptcy, insolvency, reorganization, dissolution or similar proceeding), Lender shall exhaust its rights and remedies under the Borrower Pledge Agreement prior to exercising its rights under this Agreement.

4. Termination and Disbursements from the Deposit Account. Upon the earlier of (a) payment in full of all Indebtedness due and owing under Note B, or (b) Borrower's pledge to Lender of $100,000,000.00 in cash collateral in substitution of the Collateral, Lender agrees to deliver and assign

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back to Pledgor all of Lender's rights in and to the Deposit Account and all funds then contained therein.

5. Pledgor Waivers.

(a) Note and Notice Waivers. Pledgor waives, to the full extent permitted by law, presentment, notice of dishonor, protest, notice of protest, notice of intent to accelerate, notice of acceleration, and all other notices or demands of any kind (including, without limitation, notice of the acceptance by Lender of this Agreement, notice of the existence, creation, non-payment, or non-performance of any or all Obligations, and notice of the acts or omissions of Lender**,** excepting only notices specifically provided for in this Agreement.

(b) Waiver of Acts and Omissions of Lender. Pledgor waives any defense to enforcement of the Obligations or any liens and encumbrances granted by Pledgor based on acts and omissions of Lender.

(c) Waiver of Statute of Limitations. To the full extent permitted by law, Pledgor waives any and all statutes of limitations as a defense to any or all Obligations.

(d) Waiver of Law and Equitable Principles Conflicting With This Agreement. Pledgor waives any and all provisions of law and equitable principles that conflict with this Agreement.

6. Remedies. Subject in each case to Section 3(d):

(a) General. Notwithstanding any provision to the contrary herein or any of the other Loan Documents, upon the happening of any Event of Default under the Loan Agreement, Lender may exercise all rights and remedies available to it under the Uniform Commercial Code, hereunder or under any or all of the Loan Documents.

(b) Application of Funds. From and after the occurrence and during the continuation of an Event of Default and without notice to or comment from Pledgor, Lender may apply such sums in the Deposit Account to Borrower's Obligations under the Loan Documents in such order as Lender may determine, in its sole and absolute discretion.

(c) Set Off. In addition to the foregoing contractual right to apply the funds held in the Deposit Account, if an Event of Default exists and is continuing, Lender is authorized at any time and from time to time during the continuance of the Event of Default, without prior notice to Pledgor (any such notice being waived by Pledgor to the fullest extent permitted by law) to set-off and apply any and all deposits or deposit accounts (general or special, time or demand, provisional or final) at any time held by Lender to or for the credit or the account of Pledgor against any and all obligations of Borrower under the Loan Documents, now or hereafter existing, irrespective of whether or not Lender shall have made demand under this Loan Agreement or any other Loan Document and although such amounts owed may be contingent or unmatured.

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7. Further Assurances. Pledgor will, at any time and from time to time, execute and deliver such further documents, instruments and agreements and do such further acts as shall be required by law or be requested by Lender in its reasonable discretion to confirm, perfect, protect or further assure the interests of Lender hereunder, including but not limited to the perfection and maintenance of a first priority lien and security interest in the Deposit Account.

8. No Liability for Lawful Actions. Neither Lender nor any of its officers, directors, employees, agents, advisers, attorneys-in-fact or affiliates shall be liable for any action lawfully taken or omitted to be taken by any of them under or in connection with, and in accordance with the terms of, this Agreement (except for gross negligence or willful misconduct).

9. Notices. Any notice or communication required or permitted under this Agreement must be made in writing and sent by (a) personal delivery, (b) expedited delivery service with proof of delivery, or (c) United States Mail, postage prepaid, registered or certified mail, addressed as follows:

To Lender: MidFirst Bank
3030 E. Camelback Road
Phoenix, Arizona 85016
Attention: Gary Naquin

With a copy to: MidFirst Bank
Legal Department
501 NW Grand Blvd.
Oklahoma City, OK 73118

To Pledgor: Grand Canyon Education, Inc.
2600 W. Camelback Road
Phoenix, Arizona 85017
Attention: Dan Bachus, Chief Financial Officer

With a copy to: Grand Canyon Education, Inc.
2600 W. Camelback Road
Phoenix, Arizona 85017
Attention: Sarah Collins, General Counsel

or to such other address as Lender or Pledgor may designate in writing and deliver in accordance with this Section. Any change of address will be effective on the 5th Business Day after notice is given pursuant to the terms of this Section. Any notice or communication sent in accordance with this Section will be deemed to be given (i) at the time of personal delivery, or (ii) if sent by delivery service or mail, as of the date of the first attempted delivery at the address and in the manner provided in this Section. Pledgor consents to Lender recording any telephone communications between Lender and Pledgor.

10. No Failure, etc. No failure to exercise and no delay in exercising on the part of the Lender of any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any

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single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other power or right. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law or at equity.

11. Waiver; Amendments. None of the terms and provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing executed by the parties hereto.

12. Representations, Warranties and Covenants.

(a) Representations. Pledgor hereby represents and warrants to Lender, effective upon the date hereof:

(i) No filing, recordation, registration or declaration with or notice to any person or entity is required in connection with the execution, delivery and performance of this Agreement by Pledgor or in order to preserve or perfect the first priority lien and charge intended to be created hereunder in the Deposit Account.

(ii) Except for the security interest granted to Lender pursuant to this Agreement, Pledgor is the sole owner of the Deposit Account, having good and marketable title thereto, free and clear of any and all mortgages, liens, security interests, encumbrances, claims or rights of others.

(iii) No security agreement, financing statement, control agreement, equivalent security or lien instrument or continuation statement covering all or any part of the Deposit Account exists or is on file or of record in any public office, except such as may have been given or filed by Pledgor in favor of Lender.

(b) Covenants. Without the prior written consent of the Lender, Pledgor hereby covenants and agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, the Deposit Account, nor will it create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance with respect to the Deposit Account or any interest therein, except for the security interest provided for by this Agreement.

(c) Defense of Title. Pledgor hereby covenants and agrees that it will defend the right, title and security interest of Lender in and to the Deposit Account against the claims and demands of all persons whomsoever except to the extent the same arise out of the willful misconduct or gross negligence of Lender.

13. Expenses and Liabilities. Pledgor shall pay all costs and out-of-pocket reasonable expenses of Lender in connection with the maintenance and operation of this Agreement made in accordance with the terms hereof. Pledgor also agrees to pay all costs of Lender, including reasonable attorneys' fees, incurred with respect to the enforcement of the rights of Lender hereunder.

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14. Governing Law. THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARIZONA WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES.

15. Severability. Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16. Successors and Assigns. This Agreement and all obligations of Pledgor under this Agreement are binding upon the successors or assigns of Pledgor, and, together with the rights and remedies of Lender hereunder, inure to the benefit of Lender and their successors and assigns.

17. Indemnification. Pledgor agrees to indemnify and hold harmless Lender, and its affiliates, officers, directors, employees, attorneys, and other agents from and against any and all claims, causes of action, and judgments, of any nature, arising under, or in connection with, this Agreement, the assignment of Pledgor's rights in and to the Deposit Account, or any other claim made by any person or entity in connection with this Agreement unless said claim was caused by the gross negligence or intentional misconduct of Lender.

18. No Third Party Beneficiaries. This Agreement is for the benefit of Lender and Pledgor only and is not intended to benefit any other third party.

19. NON-BORROWER PLEDGOR PROVISIONS.

(a) Rights of Lender. With respect to the Loan, Pledgor authorizes Lender to perform any or all of the following acts at any time in its sole discretion, all without notice to or the consent or approval of Pledgor and without affecting Pledgor's obligations under this Agreement:

(i) Lender, with the consent and agreement of Borrower (if required), may, other than increasing the principal balance of the Note, alter the Loan, including renewing, compromising, extending or accelerating, or otherwise changing the time for payment of, or increasing or decreasing the rate of interest on, all or any part of the Loan.

(ii) Lender may take and hold security for the Loan, accept additional or substituted security therefor, and subordinate, exchange, enforce, waive, release, compromise, and sell or otherwise dispose of any such security.

(iii) Lender may apply any payments or recoveries from Borrower, of the Loan or any other source, and any proceeds of any security, to the Loan in such

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manner, order and priority as Lender may elect, whether or not those obligations are secured at the time of the application.

(iv) In addition to the Loan, Lender may extend other credit to Borrower, and may take and hold security for the credit so extended, all without affecting Pledgor's liability under this Agreement.

(b) Pledgor's Waivers. Pledgor waives to the full extent permitted under applicable law:

(i) Any right it may have to require Lender to proceed against Borrower or any other person, proceed against or exhaust any security held from Borrower or any other person, or pursue any other remedy in Lender's power to pursue;

(ii) Any defense based on any claim that Pledgor's obligations exceed or are more burdensome than those of Borrower;

(iii) Any defense based on (i) any legal disability of Borrower or any other person, (ii) any release, discharge, modification, impairment, or limitation of the liability of Borrower or any other person to Lender from any cause, whether consented to by Lender or arising by operation of law or from any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships ("Insolvency Proceeding"), and (iii) any rejection or disaffirmance of all or any part of the Loan, or any security therefor, in any such Insolvency Proceeding;

(iv) Any defense based on any action taken or omitted by Lender in any Insolvency Proceeding involving Borrower, including any election to have Lender's claim allowed as being secured, partially secured or unsecured, any extension of credit by Lender to Borrower in any Insolvency Proceeding, and the taking and holding by Lender of any security for any such extension of credit;

(v) All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind except as provide for herein;

(vi) Any defense based on or arising out of any defense that Borrower may have to the payment or performance of all or any part of the Loan;

(vii) Any defense based on the unenforceability or invalidity of any collateral assignment, security or guaranty with respect to the Loan, or the lack of perfection or continuing perfection or lack of priority of any lien which secures the Loan; and

(viii) Any suretyship defenses Pledgor has or would have under the laws of the State of Arizona or any other jurisdiction.

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(c) Waivers of Subrogation and Other Rights.

(i) Upon a default by Borrower, Lender in its sole discretion, subject to Section 3(d), without prior notice to or consent of Pledgor, may elect to (i) foreclose any Collateral that Lender may hold for the Loan, (ii) compromise or adjust all or any part of the Loan or make any other accommodation with Borrower or any Pledgor, or (iii) exercise any other remedy against Borrower or any security. No such action by Lender shall release or limit the liability of Pledgor, who shall remain liable under this Agreement after the action, even if the effect of the action is to deprive Pledgor of any subrogation rights, rights of indemnity, or other rights to collect reimbursement from Borrower for any sums paid to Lender, whether contractual or arising by operation of law or otherwise. Pledgor expressly agrees that under no circumstances shall it be deemed to have any right, title, interest, or claim in or to any property to be held by Lender or any third party after any foreclosure of any security for the Loan.

(ii) Regardless of whether Pledgor may have made any payments to Lender, until such time as the Loan is fully and completely paid, Pledgor waives (i) all rights of subrogation, all rights of indemnity, and any other rights to collect reimbursement from Borrower for any sums paid by Pledgor to Lender with respect to the Loan, whether contractual or arising by operation of law (including the United States Bankruptcy Code or any successor or similar statute) or otherwise, (ii) all rights to enforce any remedy that Pledgor may have against Borrower with respect to the Loan, and (iii) all rights to participate in any security now or later to be held by Lender for the Loan.

(d) Information Regarding Borrower and the Property. Pledgor warrants and agrees that Pledgor has not relied, and will not rely, on any representations and warranties by Lender to Pledgor with respect to the creditworthiness of Borrower or the prospects of repayment of the Loan from sources other than the Collateral. Before signing this Agreement, Pledgor will have investigated the financial condition and business operations of Borrower and such other matters as Pledgor may deem appropriate to assure itself of Borrower's ability to discharge its obligations under or with respect to the Loan. Pledgor assumes full responsibility for such due diligence, as well as for keeping informed of all matters which may affect Borrower's ability to pay and perform its obligations to Lender. Lender has no duty to disclose to Pledgor any information which Lender may have or receive about Borrower's financial condition or business operations or any other circumstances bearing on Borrower's ability to perform. Pledgor and its counsel have reviewed the terms and conditions of the Loan Documents and consents to all provisions thereof.

(e) Subordination. Any rights of Pledgor, whether now existing or later arising, to receive payment on account of any indebtedness (including interest) owed to it by Borrower or any subsequent owner of any of the Collateral, or to withdraw capital invested by it in Borrower (if applicable), or to receive distributions from Borrower (if applicable), shall at all times be subordinate as to lien and time of payment and in all other respects to

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the full and prior repayment to Lender of all Obligations; provided, however, that prior to the occurrence of an Event of Default, Pledgor may receive payments of such subordinated obligations in the ordinary course of business and in a manner that is consistent with past practices. For the avoidance of doubt, this Section 19(e) does not apply to any payments made by Borrower and received by Pledgor under and pursuant to that certain Master Services Agreement between Borrower and Pledgor, dated July 1, 2018 (as the same may be amended and/or amended and restated from time to time).

(f) Consideration.

(i) Pledgor acknowledges that it expects to benefit from Lender's entering into certain material transactions with respect to the Loan because of Pledgor's relationship to Borrower, and that it is executing this Agreement in consideration of such anticipated benefit.

(ii) Pledgor does not intend to defraud any of its creditors by execution and delivery of this Agreement. Pledgor is not insolvent, and Pledgor shall not be rendered insolvent by virtue of such execution of this Agreement. Pledgor has determined that, in its opinion, the fair market value of the benefits to be derived by it from such execution of this Agreement will equal or exceed the cost and expense that may be incurred by Pledgor under or in connection with this Agreement.

(g) Lawfulness and Reasonableness. Pledgor warrants that all of the waivers in this Agreement are made with full knowledge of their significance, and of the fact that events giving rise to any defense or other benefit waived by Pledgor may destroy or impair rights which Pledgor would otherwise have against Lender, Borrower and other persons, or against collateral. Pledgor agrees that (i) all such waivers are reasonable under the circumstances and (ii) if any such waiver is determined (by a court of competent jurisdiction) to be contrary to any law or public policy, the other waivers herein shall nonetheless remain in full force and effect.

(h) Limitation on Amount Obligated; Contribution by Other Persons. Anything contained in this Agreement to the contrary notwithstanding, if any Fraudulent Transfer Law (as hereinafter defined) is determined by a court of competent jurisdiction to be applicable to the Loan of Pledgor under this Agreement, such obligations shall be limited to a maximum aggregate amount equal to the largest amount that would not render Pledgor's obligations under this Agreement subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any applicable provisions of comparable state law (collectively, the "Fraudulent Transfer Laws"), in each case after giving effect to all other liabilities of Pledgor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of Pledgor in respect of intercompany indebtedness, if any, to Borrower or any affiliate of Borrower to the extent that such indebtedness would be discharged in an amount equal to the amount paid by Pledgor under this Agreement pursuant to which the liability of Pledgor under this Agreement is included in the liabilities taken into account in

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determining such maximum amount) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, reimbursement, indemnification, or contribution of Pledgor pursuant to applicable law or pursuant to the terms of any agreement.

(i) Enforceability. Pledgor hereby acknowledges that (i) the obligations undertaken by Pledgor in the this Agreement are complex in nature, (ii) numerous possible defenses to the enforceability of these obligations may presently exist and/or may arise hereafter, (iii) as part of Lender's consideration for accepting this Agreement, Lender has specifically bargained for the waiver and relinquishment by Pledgor of all such defenses, and (iv) Pledgor has had the opportunity to seek and receive legal advice from skilled legal counsel in the area of financial transactions of the type contemplated herein. Given all of the above, Pledgor hereby represents and confirms to Lender that Pledgor is fully informed regarding, and that Pledgor does thoroughly understand, (w) the nature of all such possible defenses, (x) the circumstances under which such defenses may arise, (y) the benefits which such defenses might confer upon Pledgor, and (z) the legal consequences to Pledgor of waiving such defenses. Pledgor acknowledges that Pledgor enters into this Agreement with the intent that this Agreement and all of the informed waivers in this Agreement shall each and all be fully enforceable by Lender to the extent lawful, and that Lender is accepting this Agreement in material reliance upon the presumed full enforceability thereof.

(j) Severability. If any part of this Agreement is unenforceable or invalid, then that part of the Agreement will be removed from the Agreement. All remaining portions of the Agreement will remain enforceable and valid.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be duly executed and delivered as of the date first above written.

PLEDGOR:

GRAND CANYON EDUCATION, INC., a Delaware corporation

By: /s/ Daniel E. Bachus

Name: Daniel E. Bachus
Title: Chief Financial Officer

LENDER:

MIDFIRST BANK, a federally chartered savings association

By: /s/ Gary J. Naquin
Name: Gary J. Naquin
Title: Senior Vice President

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Exhibit 19.1

GRAND CANYON EDUCATION, INC.

INSIDER TRADING POLICY

Overview

Grand Canyon Education, Inc. (the "Company") is regularly involved in matters that are sensitive in nature and important to the Company, its employees and its stockholders. Federal securities laws impose certain obligations on the Company regarding the disclosure of material information to the public and certain prohibitions on trading in the Company's securities by any person in possession of undisclosed material information. To satisfy requirements of federal securities laws, the Company has established the following policies and procedures, which are applicable to all of its employees.

Scope

This policy applies to all employees/departments of the Company, and its subsidiaries. Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

Policy

I. *Trading in Company Securities While in Possession of Material Nonpublic Information is Prohibited*

The purchase or sale of securities by any person who possesses material nonpublic information is a violation of federal and state securities laws. Furthermore, it is important that the *appearance*, as well as the fact, of trading on the basis of material nonpublic information be avoided. Therefore, it is the policy of the Company that any person subject to this Insider Trading Policy ("Policy") who possesses material nonpublic information pertaining to the Company may not trade in the Company's securities, advise anyone else to do so, or communicate the information to anyone else until you know that the information has been disseminated to the public.

No person subject to this Policy who is aware of material nonpublic information relating to the Company may, directly or indirectly (through family members or other persons or entities):

- buy, sell, or otherwise trade in the securities of the Company (other than pursuant to a trading plan that complies with Rule 10b5-1 promulgated by the Securities and Exchange Commission ("SEC") and in full compliance with Appendix I hereto).
- advise any other person to buy, sell or otherwise trade in the securities of the Company.
- otherwise engage in any action to take personal advantage of that information.

- pass that information on to others outside the Company, including friends and family (a practice referred to as "tipping").

In addition, it is the policy of the Company that no person subject to this Policy who, in the course of working for the Company, learns of material nonpublic information of another company with which the Company does business, such as a customer or supplier, may trade in that company's securities until that information becomes public or is no longer material. For purposes of this Policy, the term "***trade***" includes any transaction in Company securities, including gifts and pledges.

II. *All Employees, Officers, Directors, and their Family Members and Affiliates Are Subject to this Policy*

This Policy applies to all employees of the Company, their family members, and entities (such as trusts, limited partnerships, and corporations) over which such individuals have or share voting or investment control. This Policy also applies to any other persons whom the Company's insider trading Compliance Officer may designate because they have access to material nonpublic information concerning the Company, as well as any person who receives material nonpublic information from any Company insider. For the purposes of this Policy, officers, directors, consultants and any other persons designated by the Compliance Officer are included within the term "employee." Employees are responsible for ensuring compliance by family members and members of their households and by entities over which they exercise voting or investment control, including any pre-clearances required. For purposes of this Policy, "family members" include people who live with you, or are financially dependent on you, and include those whose transactions in securities are directed by you or are subject to your influence or control.

III. *Trading in Other Public Companies' Securities While in Possession of Material Nonpublic Information is Prohibited.*

No person subject to this Policy who possesses material nonpublic information relating to other publicly traded companies, including our vendors, customers and partners, as a result of their relationship with the Company or the performance of services on our behalf, may, directly or indirectly (through family members, other persons, entities or otherwise) buy or sell securities of such companies, or advise anyone else to do so, or otherwise engage in any action to take personal advantage of that information.

IV. *Executive Officers, Directors and Certain Named Employees Are Subject to Additional Restrictions*

A. ***Section 16 Insiders.*** The Company has designated certain persons as the directors and executive officers who are subject to the reporting provisions and trading restrictions of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the underlying rules and regulations promulgated by the SEC. Each such person is referred to herein as a "Section 16 Insider." The Compliance Officer will maintain the list of Section 16 Insiders, periodically notify each Section 16 Insider of his or her status as such and amend the list from time to time as necessary to reflect the addition and the resignation or departure of Section 16 Insiders.

B. ***Insider Employees.*** The Company has designated additional persons as employees who have frequent access to material nonpublic information concerning the Company ("Insider Employees"). The Compliance Officer will maintain the list of Insider Employees, periodically notify each Insider Employee of his or her status as such and will amend the list from time to time as necessary to reflect the addition and departure of Insider Employees.

C. ***Additional Restrictions.*** Because Section 16 Insiders and Insider Employees regularly possess material nonpublic information about the Company, and in light of the reporting requirements to which Section 16 Insiders are subject under Section 16 of the Exchange Act, Section 16 Insiders and Insider Employees are subject to the additional restrictions set forth in Appendix I hereto. For purposes of this Policy, Section 16 Insiders and Insider Employees are each referred to as "Insiders."

V. *Insider Trading Compliance Officer*

The Company has designated its General Counsel as its Insider Trading Compliance Officer (the "Compliance Officer").

The duties of the Compliance Officer will include the following (provided that the Company has designated its Associate Vice President – SEC Reporting ("AVP-SEC") to handle duties ## 5 and 8 below):

1. Administering this Policy and monitoring and enforcing compliance with all Policy provisions and procedures.

2. Responding to all inquiries relating to this Policy and its procedures.

3. Designating and announcing special trading blackout periods during which no Insiders may trade in Company securities.

4. Providing copies of this Policy and other appropriate materials to all current and new directors, officers and employees, and such other persons as the Compliance Officer determines have access to material nonpublic information concerning the Company.

5. Administering, monitoring, and enforcing compliance with federal and state insider trading laws and regulations; and assisting in the preparation and filing of all reports required by the SEC relating to trading in Company securities, including without limitation Forms 3, 4, 5 and 144 and Schedules 13D and 13G.

6. Selecting designated brokers through which Insiders are authorized to trade Company securities.

7. Revising the Policy as necessary to reflect changes in federal or state insider trading laws and regulations.

8. Maintaining as Company records originals or copies of all documents required by the provisions of this Policy or the procedures set forth herein, and copies of

all required SEC reports relating to insider trading, including without limitation Forms 3, 4, 5 and 144 and Schedules 13D and 13G.

9. Maintaining the accuracy of the list of Section 16 Insiders and the list of Insider Employees and updating such lists periodically as necessary to reflect additions or deletions.

10. Designing and requiring training about the obligations of this Policy as the Compliance Officer considers appropriate.

The Compliance Officer may designate one or more individuals who may perform the Compliance Officer's duties in the event that the Compliance Officer is unable or unavailable to perform such duties. In fulfilling his or her duties under this Policy, the Compliance Officer shall be authorized to consult with the Company's outside counsel.

VI. *Applicability of This Policy to Transactions in Company Securities*

A. ***General Rule.*** This Policy applies to all transactions in the Company's securities, including common stock and any other securities the Company may issue from time to time, such as preferred stock, warrants and convertible debentures, as well as to derivative securities relating to the Company's stock, whether or not issued by the Company, such as exchange-traded options. For purposes of this Policy, the term "trade" includes any transaction in the Company's securities, including gifts and pledges.

B. ***Employee Benefit Plans***

1. *Stock Option Plans.* The trading prohibitions and restrictions set forth in this Policy do not apply to the exercise of stock options for cash but do apply to all sales of securities acquired through the exercise of stock options. Thus, this Policy does apply to the "same-day sale" or cashless exercise of Company stock options.

2. *Employee Stock Purchase Plans.* The trading prohibitions and restrictions set forth in this Policy do not apply to periodic contributions by the Company or employees to employee stock purchase plans or employee benefit plans (e.g., a pension or 401(k) plan), which are used to purchase Company securities pursuant to the employee's advance instructions. However, no officers or employees may alter their instructions regarding the level of withholding or the purchase of Company securities in such plans while in the possession of material nonpublic information. Any sale of securities acquired under such plans is subject to the prohibitions and restrictions of this Policy.

VII. *Definition of "Material Nonpublic Information"*

A. ***"Material."*** Information about the Company is "material" if it would be expected to affect the investment or voting decisions of a reasonable shareholder or investor, or if the disclosure of the information would be expected to significantly alter the total mix of the information in the marketplace about the Company. In simple terms, material information is any type of information that could reasonably be expected to affect the market price of the Company's securities. Both positive and negative information may be material. While it is not possible to

identify all information that would be deemed material, the following types of information ordinarily would be considered material:

- Financial performance, especially quarterly and year-end operating results, and significant changes in financial performance or liquidity of the Company.
- Financial performance, especially quarterly and year-end operating results, and significant changes in financial performance or liquidity of the Company's significant university partners.
- Company strategic plans and projections of future earnings or losses, or other earnings guidance, and any changes to previously announced earnings guidance.
- Potential mergers or acquisitions, the sale of Company assets or subsidiaries or major partnering agreements.
- Stock splits, public or private securities/debt offerings, or changes in Company dividend policies or amounts.
- Significant changes in senior management or membership of the Board of Directors.
- Significant labor disputes or negotiations.
- A significant cybersecurity incident, such as a data breach or a significant disruption or unauthorized access to information technology infrastructure.
- Actual or threatened major litigation, or the resolution of such litigation.
- Receipt or denial of regulatory approvals.
- Significant changes in regulatory requirements.

This list is illustrative and is not intended to be exhaustive. If you have any doubt about the materiality of information, please contact the Company's Compliance Officer prior to taking any action with respect to your securities.

B. ***"Nonpublic."*** Material information is "nonpublic" if it has not been widely disseminated to the general public through a report filed with the SEC or through major newswire services, national news services or financial news services. For the purpose of this Policy, information will be considered public after the close of trading on the second full trading day following the Company's widespread public release of the information.

C. ***Consult the Compliance Officer When in Doubt.*** Any person subject to this Policy who is unsure whether the information that they possess is material or nonpublic must consult the Compliance Officer for guidance before trading in any Company securities.

VIII. ***Person Subject to this Policy May Not Disclose Material Nonpublic Information to Others or Make Recommendations Regarding Trading in Company Securities***

No person subject to this Policy may disclose material nonpublic information concerning the Company or any other publicly traded companies to any other person (including family members, other persons, entities or otherwise) where such information may be used by such person to his or her advantage in the trading of the securities of companies to which such information relates, a practice commonly known as "tipping", until such information has been disseminated to the public. Tipping includes passing information under circumstances that could suggest that the person tipping was trying to help another profit or avoid a loss. Each person subject to this Policy must exercise care when speaking with others who do not "***need to know***", even if they are subject to this Policy, as well as when communicating with family, friends and others not associated with the Company. To avoid the appearance of impropriety, each person subject to this Policy must refrain from discussing our business or prospects or making recommendations about buying or selling Company securities or the securities of other companies with which the Company has a relationship. Each person subject to this Policy must treat material nonpublic information about other companies with which the Company has a relationship with the same care required with respect to such information related directly to the Company. No employee or related person may make recommendations or express opinions as to trading in the Company's securities while in possession of material nonpublic information, except such person may advise others not to trade in the Company's securities if doing so might violate the law or this policy.

IX. ***Employees May Not Participate in Investment-Oriented Chat Rooms***

Each person subject to this Policy is prohibited from participating in investment-oriented chat room or other Internet forum discussions regarding the Company's securities or investments in the Company's business.

X. ***Only Designated Company Spokespersons Are Authorized to Disclose Material Nonpublic Information***

The Company is required under the federal securities laws to avoid the selective disclosure of material nonpublic information. The Company has established procedures for releasing material information in a manner that is designed to achieve broad dissemination of the information immediately upon its release. Any person subject to this Policy may not, therefore, disclose material information to anyone outside the Company, including family members and friends, other than in accordance with those established procedures. Any inquiries from outsiders regarding material nonpublic information about the Company should be forwarded to the ***Compliance Officer***, the ***Executive Chairman, Chief Executive Officer***, or ***Chief Financial Officer***.

XI. ***Certain Types of Transactions Are Prohibited***

A. ***Short Sales.*** Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short

sales of the Company's securities are prohibited by this Policy. In addition, Section 16(c) of the Exchange Act expressly prohibits executive officers and directors from engaging in short sales.

B. ***Publicly Traded Options.*** A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that the director or employee is trading based on inside information. Transactions in options also may focus the director's or employee's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities involving the Company's stock, on an exchange or in any other organized market, are prohibited by this Policy. (Option positions arising from certain types of hedging transactions are governed by the section below captioned "Hedging Transactions.")

C. ***Hedging Transactions.*** Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a person subject to this Policy to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the person subject to this Policy to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the person subject to this Policy may no longer have the same objectives as the Company's other shareholders. Therefore, such transactions involving the Company's securities are prohibited by this Policy.

D. ***Margin Accounts and Pledges.*** Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company securities, persons subject to this Policy are prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan. An exception to this prohibition may be granted where a person wishes to pledge Company securities as collateral for a loan (not including margin debt) and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any person subject to this Policy wishing to enter into such an arrangement must first receive pre-approval for the proposed transaction from the Compliance Officer in accordance with the pre-approval procedures set forth in Appendix I.

E. **Short-Term Trading.** Executive officers and directors who purchase Company securities in the open market may not sell any Company securities of the same class during the six months following the purchase (or vice versa), as short-term trading of the Company's securities may be distracting and may unduly focus the person on short-term stock market performance, instead of the Company's long-term business objectives, and may result in the disgorgement of any short swing profits.

XII. *The Company May Suspend All Trading Activities by Employees*

In order to avoid any questions and to protect both employees and the Company from any potential liability, from time to time the Company may impose a "blackout" period during which some or all of the persons subject to this Policy may not buy or sell the Company's securities. The Compliance Officer will impose such a blackout period if, in his judgment, there exists nonpublic

information that would make trades by the Company's employees (or certain of the Company's employees) inappropriate in light of the risk that such trades could be viewed as violating applicable securities laws.

XIII. ***Violations of Insider Trading Laws or This Policy Can Result in Severe Consequences***

A. ***Civil and Criminal Penalties.*** The consequences of prohibited insider trading or tipping can be severe. Persons violating insider trading or tipping rules may be required to disgorge the profit made or the loss avoided by the trading, pay civil penalties up to three times the profit made, or loss avoided, face private action for damages, as well as being subject to criminal penalties, including up to 20 years in prison and fines of up to $5 million. The Company and/or the supervisors of the person violating the rules may also be required to pay major civil or criminal penalties.

B. ***Company Discipline.*** Violation of this Policy or federal or state insider trading laws by any person subject to this Policy may subject the person subject to this Policy to removal proceedings and / or disciplinary action by the Company, including termination for cause.

C. ***Reporting Violations.*** Any person subject to this Policy who violates this Policy or any federal or state laws governing insider trading or knows of any such violation by any other person, must report the violation immediately to the Compliance Officer or the Audit Committee of the Company's Board of Directors. Upon learning of any such violation, the Compliance Officer, or Audit Committee, in consultation with the Company's legal counsel, will determine whether the Company should release any material nonpublic information or whether the Company should report the violation to the SEC or other appropriate governmental authority.

XIV. ***Every Individual Is Responsible***

Every person subject to this Policy has the individual responsibility to comply with this Policy against illegal insider trading. A person subject to this Policy may, from time to time, have to forego a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of the material nonpublic information and even though the employee believes that he or she may suffer an economic loss or forego anticipated profit by waiting.

XV. ***This Policy Continues to Apply Following Termination of Employment***

The Policy continues to apply to transactions in the Company's securities even after termination of engagement or employment. If an officer, director and/or employee is in possession of material nonpublic information when his or her engagement or employment terminates, he or she may not trade in the Company's securities until that information has become public or is no longer material.

XVI. ***The Compliance Officer Is Available to Answer Questions about this Policy***

Please direct all inquiries regarding any of the provisions or procedures of this Policy to the Compliance Officer.

XVII. *This Policy Is Subject to Revision*

The Company may change the terms of this Policy from time to time to respond to developments in law and practice. The Company will take steps to inform all affected persons of any material change to this Policy.

XVIII. *All Persons Subject to This Policy Must Acknowledge Their Agreement to Comply with This Policy*

The Policy will be delivered to all persons subject to this Policy upon its adoption by the Company, and to all persons subject to this Policy at the start of their employment or relationship with the Company. Upon first receiving a copy of the Policy or any revised versions, each person subject to this Policy must sign an acknowledgment that he or she has received a copy and agrees to comply with the Policy's terms. Additionally, the Compliance Officer may periodically require written certifications by those subject to this Policy, including as to their compliance with this Policy or to refresh their acknowledgement of, and agreement to comply with, this Policy. This acknowledgment and agreement will constitute consent for the Company to impose sanctions for violation of this Policy and to issue any necessary stop-transfer orders to the Company's transfer agent to enforce compliance with this Policy.

XIX. *Related Policies*

Policy Name	**Location**
Code of Conduct, Conflict of Interest and Whistleblower Policy	Employee Handbook

APPENDIX I

Special Restrictions on Transactions in Company Securities by Insiders

I. *Overview*

To minimize the risk of apparent or actual violations of the rules governing insider trading, we have adopted these special restrictions relating to transactions in Company securities by Insiders. As with the other provisions of this Policy, Insiders are responsible for ensuring compliance with this Appendix I, including restrictions on all trading during certain periods, by family members and members of their households and by entities over which they exercise voting or investment control. Insiders should provide each of these persons or entities with a copy of this Policy.

II. *Trading Window*

In addition to the restrictions that are applicable to all other persons subject to this Policy, any trade by an Insider that is subject to this Policy will be permitted only during an open "trading window." The trading window generally opens following the close of trading on the second full trading day following the public issuance of the Company's earnings release for the most recent fiscal quarter and closes at the close of trading on the 15th day of the last month of a fiscal quarter. In addition to the times when the trading window is scheduled to be closed, the Company may impose a special blackout period at its discretion due to the existence of material nonpublic information, such as a pending acquisition, that is likely to be widely known among Insiders. Following termination of employment or other service, Insiders will be subject to the trading window, as well as any special blackout period in effect at the time of termination, for one full fiscal quarter thereafter. Even when the window is open, Insiders and other Company personnel are prohibited from trading in the Company's securities while in possession of material nonpublic information. The Company's Compliance Officer will advise Insiders when the trading window opens and closes.

III. *Hardship Exemptions*

The Compliance Officer may, on a case-by-case basis, authorize a transaction in the Company's securities outside of the trading window (but in no event during a special blackout period) due to financial or other hardship. Any request for a hardship exemption must be in writing and must describe the amount and nature of the proposed transaction and the circumstances of the hardship. (The request may be made as part of a pre-clearance request, so long as it is in writing.) The Insider requesting the hardship exemption must also certify to the Compliance Officer within two business days prior to the date of the proposed trade that he or she is not in possession of material nonpublic information concerning the Company.

The existence of the foregoing procedure does not in any way obligate the Compliance Officer to approve any hardship exemption requested by an Insider.

IV. *Individual Account Plan Blackout Periods*

Certain trading restrictions apply during a blackout period applicable to any Company individual account plan in which participants may hold Company stock (such as the Company's 401(k) Plan). For the purpose of such restrictions, a "blackout period" is a period in which the plan participants are temporarily restricted from making trades in Company stock. During any blackout period, directors and executive officers are prohibited from trading in shares of the Company's stock that were acquired in connection with such director's or officer's service or employment with the Company. Such trading restriction is required by law, and no hardship exemptions are available. The Company will notify directors and executive officers in the event of any blackout period.

V. *Pre-Clearance of Trades*

As part of this Policy, ***all purchases and sales of equity securities of the Company by Section 16 Insiders, other than transactions that are not subject to the Policy or transactions pursuant to a Rule 10b5-1 trading plan approved by the 10b5-1 Committee (as defined below) (or, if such a committee has not been designated, by Board of Directors or its Audit Committee), must be pre-cleared by the Compliance Officer***. The intent of this requirement is to prevent inadvertent violations of the Policy, avoid trades involving the appearance of improper insider trading, facilitate timely Form 4 reporting and avoid transactions that are subject to disgorgement under Section 16(b) of the Exchange Act.

To request pre-clearance of any trade, a Section 16 Insider must submit his or her request a sufficient time prior to the trade to enable compliance with all reporting obligations. The request must be submitted either in writing or in an email addressed to Sarah Collins, our Compliance Officer, at sarah.collins@gce.com, with copies to Dan Bachus, our Chief Financial Officer, at dan.bachus@gce.com, and Lyn Bickle, our AVP-SEC, at lyn.bickle@gce.com. If a Section 16 Insider submits the request by email and does not receive a response within 24 hours, he or she will be responsible for following up to ensure that the message was received.

A request for pre-clearance should provide the following information:

- The nature of proposed transaction and the expected date of the transaction.
- The number of shares involved.
- If the transaction involves a stock option exercise, the specific option to be exercised and the manner of exercise (e.g., "same-day sale" or cashless exercise).
- Contact information for the broker who will execute the transaction.
- A confirmation that the Section 16 Insider has carefully considered whether he or she may be aware of any material nonpublic information relating to the Company (describing any borderline matters or items of potential concern) and has concluded that he or she is not aware of being in possession of any material nonpublic information relating to the Company.

- Whether the transaction complies with all rules and regulations, including Rule 144, Rule 701, Form S-8, and Section 16 of the Exchange Act, applicable to securities transactions by the Section 16 Insider.

- Any other information that is material to the Compliance Officer's consideration of the proposed transaction.

Once the proposed transaction is pre-cleared, the Section 16 Insider may proceed with it on the approved terms, provided that he or she complies with all other securities law requirements, such as Rule 144 and prohibitions regarding trading on the basis of inside information, and with any special trading blackout imposed by the Company prior to the completion of the trade. The Section 16 Insider and his or her broker will be responsible for immediately reporting the results of the transaction as further described below.

Notwithstanding the foregoing, any transactions by the Compliance Officer shall be subject to pre-clearance by Chief Financial Officer or, in the event of his or her unavailability, the Chief Executive Officer.

VI. *Designated Brokers*

Each market transaction in the Company's stock by a Section 16 Insider, or any person whose trades must be reported by that Section 16 Insider on Form 4 (such as a member of the Insider's immediate family who lives in the Insider's household), must be executed by a qualified broker.

A Section 16 Insider and any broker that handles the Section 16 Insider's transactions in the Company's stock will be required to enter into an agreement whereby:

- The Section 16 Insider authorizes the broker to immediately report directly to the Company the details of all transactions in Company equity securities executed by the broker in the Insider's account and the accounts of all others designated by the Insider whose transactions may be attributed to the Section 16 Insider.

- The broker agrees not to execute any transaction for the Section 16 Insider or any of the foregoing designated persons (other than under a pre-approved Rule 10b5-1 trading plan) until the broker has verified with the Company that the transaction has been pre-cleared.

- The broker agrees to immediately report the transaction details (including transactions under Rule 10b5-1 trading plans) directly to the Company and to the Insider by telephone and in writing (by fax or email).

VII. *Reporting of Transactions*

To facilitate timely reporting under Section 16 of the Exchange Act of Section 16 Insider transactions in Company stock, Section 16 Insiders are required to (a) report the details of each transaction to the AVP-SEC immediately after it is executed and (b) arrange with persons whose trades must be reported by the Section 16 Insider under Section 16 (such as immediate family

members living in the Section 16 Insider's household) to immediately report directly to the Company and to the Section 16 Insider the details of any transactions they have in the Company's stock.

Transaction details to be reported include:

- Transaction date (trade date).
- Number of shares involved.
- Price per share at which the transaction was executed (before addition or deduction of brokerage commission and other transaction fees).
- If the transaction was a stock option exercise, the specific option exercised.
- Contact information for the broker who executed the transaction.
- A specific representation that the Insider is not in possession of material non-public information.
- For a Section 16 Insider, a specific representation whether the transaction was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c).

The transaction details must be reported to the AVP-SEC, who will assist the Section 16 Insider in preparing his or her Form 4.

VIII. *Nominating and Corporate Governance Committee*

The Nominating and Corporate Governance Committee (the "Committee") will be responsible for monitoring and recommending any modification to this Policy, if necessary or advisable, to the Board of Directors.

IX. *Persons Subject to Section 16*

Most purchases and sales of Company securities by its directors, executive officers, and greater-than-10% stockholders are subject to Section 16 of the Exchange Act. The Committee will review, at least annually, those individuals who are deemed to be executive officers for purposes of Section 16 and will recommend any changes regarding such status to the Board of Directors. An executive officer is generally defined as the president, principal financial officer, principal accounting officer or controller, any vice president in charge of a principal business unit, division or function or any other officer or person who performs a policy making function.

X. *Form 4 Reporting*

Under Section 16, most trades by Section 16 Insiders are subject to reporting on Form 4 within two business days following the trade date (which in the case of an open market trade is the date when the broker places the buy or sell order, not the date when the trade is settled), subject to an extension of not more than two additional business days where a Section 16 Insider is not

immediately aware of the execution of the trade. To facilitate timely reporting, all transactions that are subject to Section 16 must be reported to the Company ***on the same day as the trade date***, or, with respect to transactions effected pursuant to a Rule 10b5-1 plan, on the day the Section 16 Insider is advised of the terms of the transaction.

XI. *Named Employees Considered Insiders*

The Committee will review, at least annually, those individuals deemed to be "Insiders" for purposes of this Appendix I. Insiders shall include persons subject to Section 16 and such other persons as the Committee deems to be Insiders. Generally, Insiders shall be any person who by function of their employment is *consistently* in possession of material nonpublic information *or* performs an operational role, such as head of a division or business unit, that is material to the Company as a whole.

XII. *Special Guidelines for 10b5-1 Trading Plans*

A. Pre-clearance by the Company's Rule 10b5-1 Plan Review Committee, which shall be composed of persons selected by and serving at the discretion of the Company's Chief Executive Officer (the "10b5-1 Committee") is required for an Insider to enter into or modify a Rule 10b5-1 trading plan (a "10b5-1 Plan"). Each proposed 10b5-1 Plan (each, a "***Proposed Plan***") must:

- specify the amount of securities to be purchased or sold and the price at which and the date on which the securities are to be purchased or sold,
- include a written formula or algorithm, or computer program, for determining the amount of securities to be purchased or sold and the price at which and the date on which the securities were to be purchased or sold, and
- prohibit the Section 16 Insider and any other person who possesses material nonpublic information from exercising any subsequent influence over how, when, or whether to effect purchases or sales.

B. Notwithstanding the foregoing, the Company reserves the right to withhold approval of any Proposed Plan for any reason that the 10b5-1 Committee, in its sole discretion, determines, including a determination by the 10b5-1 Committee that the Proposed Plan:

- fails to comply with the requirements of Rule 10b5-1, as amended from time to time,
- would permit a transaction to occur before the later of (i) 90 days after adoption (including deemed adoption) of the Proposed Plan or (ii) two business days after disclosure of the issuer's financial results in a Form 10-Q or Form 10-K for the quarter in which the Proposed Plan was adopted (subject to a maximum of 120 days after adoption of the Proposed Plan),
- would be established during a "closed" window period or a special "blackout" period, or the Insider is unable to represent to the satisfaction of the Compliance

Officer that the Insider is not in possession of material nonpublic information regarding the Company,

- lacks appropriate mechanisms to ensure that the Insider complies with all rules and regulations, including Rule 144, Rule 701, Form S-8, and Section 16 of the Exchange Act, applicable to securities transactions by the Insider,

- does not provide the Company the right to suspend all transactions under the Proposed Plan if the 10b5-1 Committee, in their sole discretion, deems such suspension necessary or advisable, including suspensions to comply with any "lock-up" agreement the Company agrees to in connection with a financing or other similar events,

- exposes the Company to liability under any other applicable state or federal rule, regulation, or law.

- creates any appearance of impropriety,

- fails to meet guidelines established by the Company, or

- otherwise fails to satisfy the 10b5-1 Committee for any reason.

C. Pre-clearance of a Proposed Plan must be requested at least five full trading days prior to entry into or modification of the Proposed Plan and be accompanied by a copy of the Proposed Plan.

D. Each 10b5-1 Plan must be approved prior to the effective time of any transactions under such 10b5-1 Plan. An Insider will not be deemed to have violated this Policy for transactions pursuant to a 10b5-1 Plan that has been pre-cleared by the 10b5-1 Committee. Pre-clearance will not be required for individual transactions effected pursuant to a pre-cleared 10b5-1 Plan.

E. Any modifications to or deviations from a 10b5-1 Plan are deemed to be the Insider entering into a new 10b5-1 Plan and, accordingly, require pre-clearance by the 10b5-1 Committee of such modification or deviation pursuant to this Appendix I.

F. Any termination of a 10b5-1 Plan must be immediately reported to the 10b5-1 Committee. If an Insider has pre-cleared a new 10b5-1 Plan (the "Second Plan") intended to succeed an earlier pre-cleared 10b5-1 Plan (the "First Plan"), the Insider may not affirmatively terminate the First Plan without pre-clearance pursuant to this Appendix I, because such termination is deemed to be entering into the Second Plan.

G. None of the Company, the 10b5-1 Committee, the Compliance Officer, nor any of the Company's officers, employees or other representatives shall be deemed, solely by their pre-clearance of a Proposed Plan, to have represented that it complies with Rule 10b5-1 or to have assumed any liability or responsibility to the Insider or any other party if the 10b5-1 Plan fails to comply with Rule 10b5-1.

H. Upon entering into or amending a 10b5-1 Plan, the Insider must promptly provide a copy of the plan to the Company and, upon request, confirm the Company's planned disclosure regarding the entry into or termination of a plan (including the date of adoption or termination of the plan, duration of the plan, and aggregate number of securities to be sold or purchased under the plan.

Exhibit 21.0

Subsidiaries of Registrant	Jurisdiction of Incorporation
Orbis Education Services, LLC	DE
GC Education, Inc.	AZ
Tierra Vista Inversiones, LLC	DE
Nueva Ventura, LLC	AZ
Casa de Amistad, LLC	AZ
Amigos de Torrejon, LLC	AZ
Piedras Bonitas Inversiones, LLC	AZ
La Sonrisa de Siena, LLC	AZ
Nuevo Comienzo, LLC	AZ
El Vecino de Amigos, LLC	AZ
Rentwise Properties, LLC	AZ
Mid-State Rental Properties, LLC	AZ
REG 5160, LLC	AZ

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Grand Canyon Education, Inc.:

We consent to the incorporation by reference in the registration statement (Nos. 333-155973, 333-165019, 333-179611, and 333-218740) on Form S-8 of our reports dated February 19, 2025, with respect to the consolidated financial statements of Grand Canyon Education, Inc. and subsidiaries and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Phoenix, Arizona
February 19, 2025

Exhibit 31.1

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian E. Mueller, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2024 of Grand Canyon Education, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2025

/s/ Brian E. Mueller
Brian E. Mueller
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel E. Bachus, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2024 of Grand Canyon Education, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2025

/s/ Daniel E. Bachus
Daniel E. Bachus
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Grand Canyon Education, Inc. (the "Company") for the year ending December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian E. Mueller, Chief Executive Officer, of the Company, certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002,18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2025

/s/ Brian E. Mueller
Brian E. Mueller
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Grand Canyon Education, Inc. (the "Company") for the year ending December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel E. Bachus, Chief Financial Officer, of the Company, certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002,18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2025

/s/ Daniel E. Bachus
Daniel E. Bachus
Chief Financial Officer (Principal Financial Officer)